

Thursday, February 4, 2021, 6:30 pm  
Teleconference Meeting

## AGENDA

Pursuant to the Governor's Executive Order N-29-20, members of the Cannabis Regulatory Commission as well as City staff will participate via phone/video conference and no physical teleconference locations are required.

### **PUBLIC PARTICIPATION INSTRUCTIONS**

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**Members:**

Lanese Martin	District 1	Frank Tucker	District 7
Tracey Corder	District 2	Chaney Turner	At Large
Austin Stevenson	District 3	Stephanie Floyd-Johnson	Mayor
Vacant	District 4	TiYanna Long	City Auditor
Claudia Mercado	District 5	Greg Minor	City Administrator
Vacant	District 6		

Available on-line at: <https://www.oaklandca.gov/boards-commissions/cannabis-regulatory-commission>

## MEETING AGENDA

- A. Roll Call and Determination of Quorum
- B. Approval of the Draft Minutes from the CRC Meetings on January 7, 2021 and January 19, 2021.
- C. Reports for Discussion and Possible Action
  1. Draft Updates to CRC Bylaws
  2. Creation of Additional Cannabis Consumption Lounge License
  3. Reconsider Recommendation of Prohibiting Delivery-Only Dispensaries on First Floor of New Proposed Zones
  4. Implementation Update on Current BCC and Go-Biz Grants
- D. Review of the Pending List and Additions to Next Month’s Agenda
  - *CRC Retreat/Planning Session (since September 2020)*
  - *Use of Police Resources Related to Cannabis (since December 2020)*
  - *Report from Revenue Management Bureau on 2021 Cannabis Tax Revenue (since January 2021)*
  - *Amendments to Allow the Transfer of permits from Equity Applicants to Non-Equity Applicants (since January 2021)*
  - *Costing of a Department of Cannabis (since January 2021)*
- E. Open Forum / Public Comment
- F. Announcements
  1. Update on Cannabis Permitting Process
  2. 2021 Proposed Cannabis Operator Regulations
- G. Adjournment

Thursday, January 7, 2021, 6:30 pm  
Teleconference Meeting

## MINUTES

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Austin Stevenson	District 3	Stephanie Floyd-Johnson	Mayor
Debby Goldsberry	District 4	TiYanna Long	City Auditor
Claudia Mercado	District 5	Greg Minor	City Administrator
Vacant	District 6		

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## MEETING AGENDA

A. Roll Call and Determination of Quorum

*Present: Martin, Stevenson, Goldsberry, Tucker, Turner, Floyd-Johnson, Long, and Minor*  
*Absent: Mercado, Corder*

B. Approval of the Draft Minutes from the CRC Meeting on November 5, 2020 and December 3, 2020.

*Chair Martin moved to approve the minutes from the CRC November and December 2020 meetings as drafted.*  
*Vice-Chair Long seconded the motion and it passed by consensus.*

C. Reports for Discussion and Possible Action

1. Public Ethics Training

*Jelani Killings with the Public Ethics Commission and Deputy City Attorney Tricia Shafie provided a training on public ethics via a powerpoint presentation. Member Goldsberry asked how a member can recuse themselves over a zoom meeting. Mr. Killings and Ms. Shafie explained that members should make clear to the public that you are not participating in the item and to ensure that you are muted with no video. Mr. Killings emphasized that the law is the floor and encouraged members to error on the side of public trust.*

2. Draft CRC Annual Reports for 2019 and 2020

*Member Minor provided background on the draft annual reports. Member Floyd-Johnson recommended including the permitting graphs as part of the annual reports to provide a snapshot of the industry. Chair Martin suggested adding to the COVID-19 section of the report. Chair Martin then made a motion to accept the draft reports with the addition of including permitting trend charts and edits to the COVID section recognizing the financial impacts of complying with COVID-19 requirements.*

### 3. Potential Amendments to Authorize Equity Businesses to Transfer Permits After Three Years to Non-Equity Businesses

*Member Goldsberry recused herself from this item.*

*Member Minor provided background on the item. Member Tucker stated that it would be unfair if equity businesses had to repay any subsidies they received because the subsidies are what equity businesses needed in order to be competitive. Chair Martin countered that there needs to be ongoing funding for the Equity Program and repayment of subsidies received by equity applicants as part of a transfer approval process could provide ongoing funding.*

*Chair Martin then moved to continue this item to the pending list. Member Turner seconded the motion and it passed by consensus.*

### 4. BSCC Public Health and Safety Grant Program

*Member Minor provided background on the item. Public speakers and members encouraged supporting local organizations to work with youth as opposed to the Oakland Police Department.*

### 5. New Go-Biz Cannabis Equity Grant Solicitation

*Member Goldsberry recused herself from this item.*

*Member Minor provided background on the item. Public speakers emphasized the importance of getting funds to operators and the benefit of grants vs. loans.*

### 6. Role of CRC City Administrator Representative

*Member Minor provided background on the item and the history of City Administrator CRC representatives. Chair Martin stated that currently there is confusion regarding what actions are on behalf of the CRC and what action are on behalf of City staff. Chair Martin then moved to recommend that the City Administrator's Office appoint a CRC representative that is not a staff member in the City Administrator's Office. Member Turner seconded the motion and it passed by consensus.*

### 7. Implementation Update on Current BCC and Go-Biz Grants

*Member Minor provided an overview of the various state grant funded programs. Public speakers raised concerns regarding not receiving a response from loan and grant program consultants.*

#### D. Review of the Pending List and Additions to Next Month's Agenda

- *Updated Parliamentary Procedures (since July 2020)*
- *CRC Retreat/Planning Session (since September 2020)*
- *Additional Data from Revenue Management Bureau (since November 2020)*
- *Use of Police Resources Related to Cannabis (since December 2020)*
- *Creation of Additional Cannabis Consumption Lounge License (since December 2020)*
- *Reconsider Recommendation of Prohibiting Delivery-Only Dispensaries on First Floor of New Proposed Zones (since December 2020)*

*Member Minor provided an update on the various pending list items.*

*Chair Martin moved to request that the Revenue Management Bureau return to the CRC with 2021 cannabis tax revenue data as soon as possible after the 2021 tax deadline. Member Turner seconded the motion and it passed by consensus.*

E. Open Forum / Public Comment

*Public speaker spoke in support of grants over loans for equity applicants.*

F. Announcements

1. Update on Cannabis Permitting Process

*Member Minor announced the vacancy for the District 6 representative on the CRC.*

G. Adjournment

Tuesday, January 19, 2021, 1:00 pm  
Teleconference Meeting

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## MEETING AGENDA

A. Roll Call and Determination of Quorum

*Present: Martin, Corder, Stevenson, Mercado, Tucker, Turner, Floyd-Johnson, Long, and Minor*

B Reports for Discussion and Possible Action

1. Special Activity Permits Division Budget and Creation of a Department of Cannabis

*Chair Martin provided context for the Special Meeting and Member Minor offered background on the agenda materials, including the current scope of work of the Special Activity Permits Division in the City Administrator’s Office, which extends beyond regulating cannabis. Member Mercado asked what the purpose of Department of Cannabis would be. Vice Chair Long and Member Turner stated that the cannabis industry needs dedicated staff given the large number of cannabis businesses and related issues, including pending federal legalization/decriminalization. Member Turner added that a Department of Cannabis would be beneficial for the industry and staff alike.*

*Public speakers in favor of creating a department of cannabis argued that staff has too much on their plate currently and creating a department might expedite the permitting process.*

*Darlene Flynn, Director of the Department of Race and Equity, then joined the meeting and encouraged the CRC to identify what the problems are that the CRC is trying to solve, gather data, and then design the solutions based on this analysis. Member Minor added that if delays in the building and fire department permitting process is a problem for cannabis operators, then adding building and fire department staff would be more beneficial than adding staff to a Department of Cannabis.*

*Chair Martin emphasized the importance of having this discussion as early as possible in order to influence City Council decisions.*



*Member Floyd-Johnson then made a motion for the Finance Department to assist in filling in the fields missing in the two-page data analysis compiled by Chair Martin that was partially included in the agenda packet. Member Turner seconded the motion and it passed with Member Minor abstaining and Members Stevenson and Mercado absent.*

*Chair Martin then moved to ask that the subcommittee exploring the creation of a Department of Cannabis to within the next ten days cost out a fully staffed Department of Cannabis with respect to personnel, supporting the Equity Program, and moving unregulated enforcement from OPD. Member Turner seconded the motion and it passed with Member Minor abstaining, Members Stevenson and Mercado absent, and Vice-Chair Long voting no due to the short time period for compiling this information.*

C. Open Forum / Public Comment

*During open forum some speakers spoke in favor of creating a department of cannabis to focus staff's workload on cannabis, others spoke in opposition to the idea as it would not provide more funding for equity applicants, and other speakers inquired about the equity property purchase program Request for Proposals (RFP) process.*

D. Announcements

*Member Minor announced that there are two current vacancies on the CRC and interested applicants can either contact the Council Offices with vacancies or email him for an application.*

E. Adjournment



## Cannabis Regulatory Commission

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**TO:** Cannabis Regulatory Commission

**FROM:** Greg Minor  
Assistant to the City  
Administrator

**SUBJECT:** February 2021 Agenda Items

**DATE:** February 1, 2021

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### ITEM C (1) Draft Updates to CRC Bylaws

In July 2020 Chair Martin made a motion that was seconded by Member Floyd-Johnson and passed by consensus to recommend that staff work with the City Attorney's Office to codify the process for discussing agenda items and to bring back proposed changes for the CRC's consideration.

Accordingly, please find draft updates to the CRC's bylaws compiled by staff in consultation with the City Attorney's Office. The draft changes include both guidance for the discussion of agenda items and conflict of interest provisions.

### ITEM C (2) Creation of Additional Cannabis Consumption Lounge License

At the December 2020 CRC meeting former member Goldsberry made a motion to agendize the creation of an additional cannabis consumption lounge where cannabis deliveries take place. Member Floyd-Johnson seconded the motion and it passed by consensus. The City of Oakland currently offers an onsite-consumption permit but it only applies to existing dispensaries in good standing.

While onsite consumption lounges are not currently allowed under local and state COVID-19 Health Orders, the CRC can recommend proposals for the City to implement after the COVID-19 pandemic. Along those lines, below staff has outlined draft language for an onsite consumption lounge supported by delivery-only dispensaries for the CRC's consideration:

A delivery-only dispensary may apply for and receive an on-site consumption permit provided it undergoes the same onsite consumption permitting process that applies to dispensaries and the location of the delivery-only consumption lounge complies with same location restrictions that apply to dispensaries.

#### ITEM C (3) Reconsider Recommendation of Prohibiting Delivery-Only Dispensaries on First Floor of New Proposed Zones

In December 2020 Chair Martin made a motion to agendaize reconsidering the recommendation to prohibit delivery-only dispensaries on the first floor of new proposed zones. Member Stevenson seconded the motion and it passed by consensus.

In November 2020 the CRC approved staff's recommendation of expanding delivery-only dispensaries into CN Neighborhood Center Commercial Zones and D-BV Broadway Valdez Zones provided delivery-only dispensaries do not situate on the ground floor. Oakland currently restricts delivery-only dispensaries to industrial areas and commercial zones other than CN and D-BV, with an additional restriction that delivery-only dispensaries not occupy more than 1,000 square feet of ground floor storefront space in a building facing a commercially zoned principal street. The current location restrictions were recommended by the Planning Department and adopted by the City Council in consideration of delivery-only dispensaries not being open to the public and the first floor of commercial zones being pedestrian-oriented and uses open to the public. Staff's November recommendation extended this rationale into the new proposed areas for delivery-only dispensaries.

At this point, staff does not anticipate introducing any legislative proposals to the City Council to expand or limit the areas for cannabis uses given the lack of consensus in late 2020 discussions on these issues.

#### ITEM C (4) Implementation Update on Current BCC and Go-Biz Grants

In the summer of 2020, the Special Activity Permits Division launched a BCC and Go-Biz funded grant program for equity operators for all eligible expenses that is administered along with the no-interest loan program by 4Front Partners, dba Elevate Impact. At the recommendation of the CRC, staff and Elevate Impact have held monthly meetings with equity operators the Tuesday after the CRC meeting to provide any updates regarding the program and maintain an ongoing feedback loop. Every week staff and Elevate Impact monitor the programs and analyze what adjustments are needed to effectively disburse funds. More information on the loan and grant programs is available at [www.elevateimpactoakland.com](http://www.elevateimpactoakland.com) and the agendas for monthly loan and grant meetings with statistics

regarding the loan and grant programs is available here: <https://www.oaklandca.gov/boards-commissions/cannabis-regulatory-commission/meetings>.

In September staff launched two shared-use manufacturing facilities funded by the BCC grant. The two teams managing the kitchens have selected 15 manufacturers to use the sites and have been working to obtaining all necessary permits so operators can commence utilizing the locations in February. More information is available here: <https://www.oaklandca.gov/services/shared-use-manufacturing-facilities>

Next, in late October staff launched a workforce development grant program providing equity operators with grants of up to \$50,000 to recruit, train, or retain equity employees. Staff reviewed and approved all 27 applications received in 2020 and is working with the workforce grant applicants to get them under contract in order to disperse funds. More information is available here: <https://www.oaklandca.gov/services/workforce-development-grant-program>

Finally, on November 20<sup>th</sup> staff released a Request for Proposals (RFP) for the approximately \$2million that is available to equity operators to purchase property(ies) that support multiple equity operators. The City received 18 applications for Phase One of the RFP. A panel of City staff from the Departments of Race and Equity, Economic and Workforce Development and the City Administrator's Office reviewed and scored the applications, resulting in five applicants moving forward to the last phase of the RFP. Applicants now have until March 1<sup>st</sup> to submit their Phase Two submission that includes a letter of intent to purchase a property and a detailed budget. More information is available here: <https://www.oaklandca.gov/services/purchasing-property-program>

#### ITEM F (1) Update on Cannabis Permitting Process

Below please find updated cannabis permitting statistics for the CRC's review, including additional categories as well as application and permit trend graphs.

**Figure 1: Application Totals**

<b>APPLICATIONS</b>	<b>TOTALS</b>	<b>PENDING</b>
Total Complete & Incomplete Applications	1570	119
Total Complete Applications	1570	
Complete General Applications	649	
Equity Applications based on residency	790	

Equity Applications based on conviction	131
Incubators	397
Interested in Incubating	27
Complete Application with property	1119
Complete Application without property (Equity)	370
Complete Applicants without property (General)	81

**Figure 2: Permit Applications by Category**

<b>COMPLETED APPLICATIONS BY BUSINESS TYPE</b>	<b>GENERAL</b>	<b>INCUBATOR*</b>	<b>INTERESTED IN INCUBATING*</b>	<b>EQUITY</b>
Delivery	155	67	3	238
Cultivator (Indoor)	181	117	19	156
Cultivator (Outdoor)	6	5	0	38
Distributor	144	96	3	226
Mfg. Volatile	58	46	0	45
Mfg. Non-Volatile	97	62	2	169
Transporter	5	2	0	39
Lab Testing	3	2	0	10
<b>GRAND TOTALS</b>	<b>649</b>	<b>397</b>	<b>27</b>	<b>921</b>

\*These numbers are part of the General Total

**Figure 3: Operators Locally Authorized for Provisional or Annual State License by Category**

<b>LOCALLY AUTHORIZED FOR STATE *ANNUAL/PROVISIONAL LICENSES*</b>	<b>GENERAL</b>	<b>INCUBATOR</b>	<b>EQUITY</b>	
Delivery	29	42	116	
Cultivator	3	69	43	
Distributor	8	70	92	
Mfg. Volatile	5	29	6	
Mfg. Non-Volatile	20	70	88	
Transporter	0	1	5	
Lab Testing	0	2	2	
Retailers	3	1	3	
<b>TOTALS:</b>	<b>68</b>	<b>284</b>	<b>355</b>	<b>707</b>

\*These figures represent those who have actually applied with the state for their provisional/annual license  
There are additional applicants who are locally authorized, but who have not yet applied with the state.

**Figure 4: New Permits Issued to Cannabis Operators Since Spring of 2017 by Category**

	<b>GENERAL NOT INCUBATING</b>	<b>INCUBATOR</b>	<b>EQUITY</b>	<b>TOTAL</b>
<b><i>NEW ANNUAL PERMITS BY BUSINESS TYPE</i></b>				
Dispensary		1	2	3
Delivery	64	17	85	166
Cultivator (Indoor)	2	5	5	12
Cultivator (Outdoor)	0	0	0	0
Distributor	14	24	45	83
Mfg. Volatile	0	4	0	4
Mfg. Non-Volatile	2	7	30	39
Transporter	1	0	5	6
Lab Testing	0	0	0	0
<b>GRAND TOTALS</b>	<b>83</b>	<b>58</b>	<b>172</b>	<b>313</b>

**Figure 5: Withdrawn Applications**

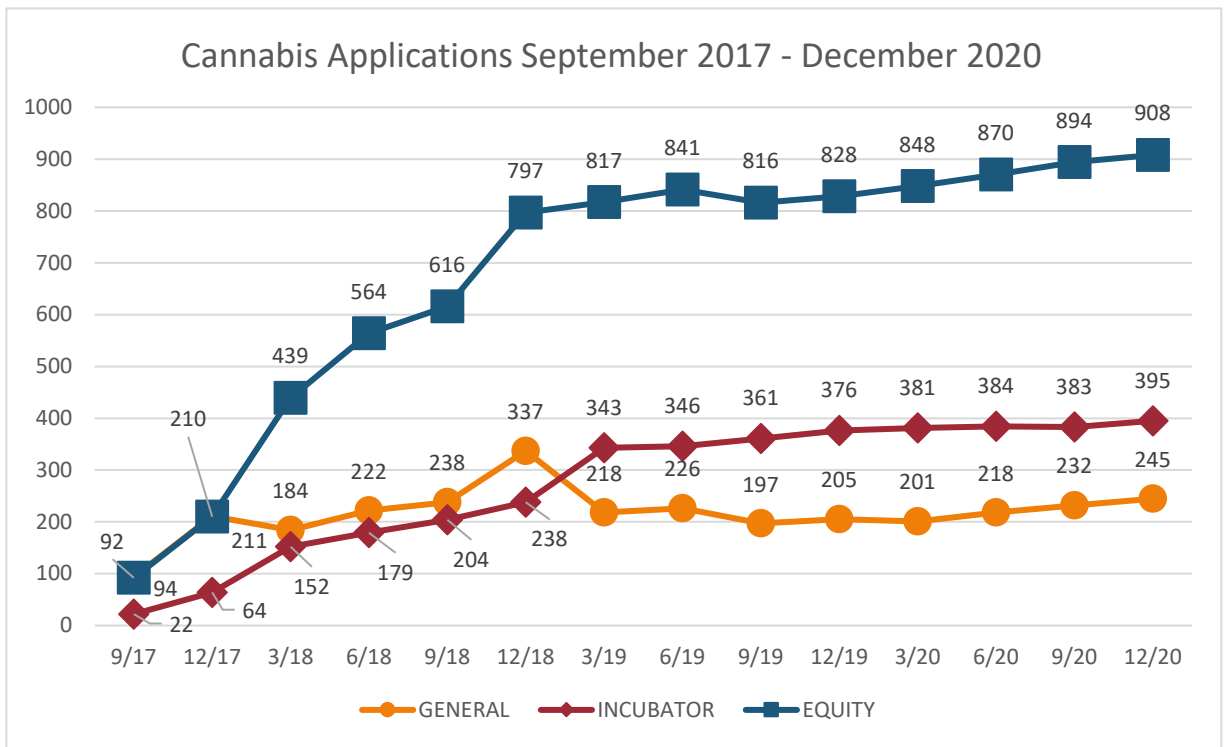
<b>WITHDRAWN APPLICATIONS</b>	<b>GENERAL</b>	<b>INCUBATOR</b>	<b>EQUITY</b>	<b>TOTALS</b>
Delivery	10	19	37	66
Cultivator (Indoor)	3	13	32	48
Cultivator (Outdoor)	14	11	10	35
Distributor	3	32	35	70
Mfg. Volatile	2	12	17	31
Mfg. Non-Volatile	6	14	22	42
Transporter	5	1	15	21
Lab Testing		2	3	5
<b>TOTALS</b>	<b>43</b>	<b>104</b>	<b>171</b>	<b>318</b>

**Figure 6: Revoked Local Authorization**

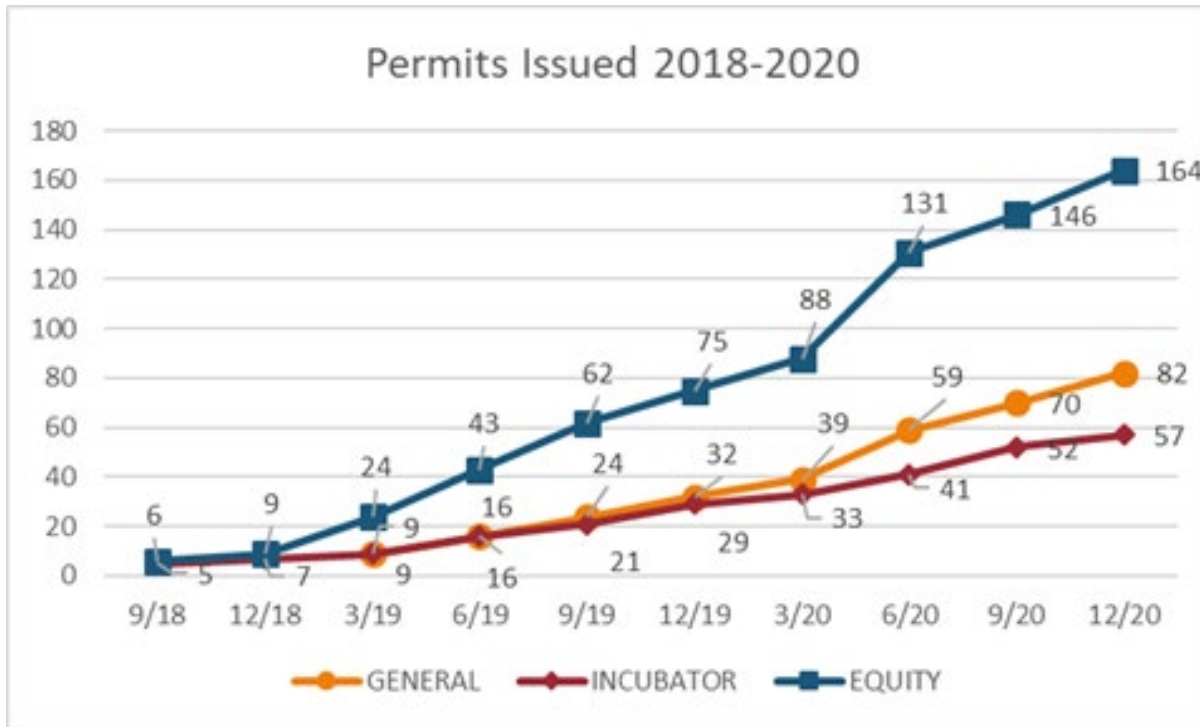
<b>REVOKED LOCAL AUTHORIZATION</b>	<b>GENERAL</b>	<b>INCUBATOR</b>	<b>EQUITY</b>	<b>TOTALS</b>
Delivery	1	6	6	13
Cultivator (Indoor)	1	9	2	12
Cultivator (Outdoor)				0
Distributor	1	5	4	10
Mfg. Volatile		3		3
Mfg. Non-Volatile		3	1	4
Transporter		1		1
Lab Testing				0
<b>TOTALS</b>	<b>3</b>	<b>27</b>	<b>13</b>	<b>43</b>



**Figure 7: Graph of Cannabis Permit Applications Received Since 2017**



**Figure 8: Graph of New Cannabis Permits Issued Since 2017**



ITEM F (2) 2021 Proposed Cannabis Operator Regulations

Staff has proposed updates to the City’s cannabis operator regulations that are available here:

[https://cao-94612.s3.amazonaws.com/documents/2021-Proposed-Cannabis-Operator-Regs\\_2021-01-27-184913.pdf](https://cao-94612.s3.amazonaws.com/documents/2021-Proposed-Cannabis-Operator-Regs_2021-01-27-184913.pdf) Additions are indicated in underline and deletions are shown as ~~strikethrough~~.

Staff has scheduled a zoom meeting to discuss these proposed changes with operators on Monday February 1<sup>st</sup>.

**BYLAWS OF THE COMMUNITY OVERSIGHT COMMITTEE  
CREATED BY NOVEMBER 2, 2004 BALLOT INITIATIVE MEASURE Z,  
ENTITLED “OAKLAND CANNABIS REGULATION AND REVENUE ORDINANCE”**

**ARTICLE I**

**NAME**

The name of this organization is the Cannabis Regulatory Commission.

**ARTICLE II**

**PURPOSE**

It is the purpose of the Cannabis Regulatory Commission (hereinafter referred to as “CRC”), created by Measure Z, to oversee implementation of the Lowest Law Enforcement Priority Policy and ensure timely implementation of Measure Z by:

- a. advising the City Council of concerns, issues regarding the lowest law enforcement policy for private adult cannabis offenses;
- b. making recommendations to the City Council regarding the policy implementations; and
- c. reporting annually to the City Council on the implementation of Measure Z.

**ARTICLE III**

**FUNCTIONS**

As provided by City Council Ordinance No. 12694 C.M.S., which established the procedures of the Commission and provides the terms and responsibilities of the Commission members, the Commission will advise the City Council of concerns and issues regarding the lowest law enforcement policy for private adult cannabis offenses, make recommendations to the City Council regarding the policy implementation, and report annually to the City Council on the implementation of Measure Z.

The CRC will work with other boards, commissions and City staff, as appropriate to encourage coordination of City efforts. With respect to Measure Z related functions or

responsibilities of another board, commission or department of the City, the CRC will provide assistance and advice to such board, commission or department upon request.

#### **ARTICLE IV MEMBERSHIP**

Measure Z created an eleven-member, advisory Community Oversight Committee that includes one community member appointed by each City Councilmember, one community member appointed by the Mayor, one representative appointed by the City Auditor, and one representative appointed by the City Administrator. Committee members must reside in the City of Oakland at the time of appointment and throughout the term and should have the appropriate skills and expertise to carry out the duties of the Commission.

Each member shall be appointed to a term of two (2) years, with each term commencing on the first day of August of odd numbered years, except that an appointment to fill a vacancy shall be for the unexpired term only. Members may be reappointed to subsequent terms. If a member has not been reappointed or replaced upon the expiration of his or her appointed term, that member may remain in hold-over status for up to one (1) year, but may be replaced by the appointing authority at any time during the hold-over period.

A vacancy on the CRC will exist whenever a member dies, resigns, ceases to reside in Oakland, or is removed.

Commission members serve at the pleasure of their appointing authority.

No member of the Commission may cast a vote on or participate in a discussion by the Commission on any matter which would provide a reasonably foreseeable and material financial benefit to such member or a member of his or her immediate family, or on any other matter which would result in the member violating any governmental conflict of interest law or regulation.

Any Commission member with a conflict of interest on a matter must recuse themselves from any vote of the Commission on the matter, must publicly announce such recusal and the nature of his or her conflict of interest on the record, physically leave the room or turn off video camera, and must refrain from discussing the matter formally or informally with other Commission members, either in a meeting or outside a meeting.

Commission members must adhere to all applicable laws, rules, and regulations, including fulfillment of responsibilities as enumerated in the most up-to-date version of the City of Oakland Public Ethics Commission Handbook for Board and Commission Members.

## ARTICLE V OFFICERS

The members shall elect a chairperson and a vice chairperson who shall serve for a two (2) year term. Upon conclusion of their two (2) year term of office, office holders shall be barred from standing for the same office for the succeeding four (4) years, unless two-thirds (2/3) of the total CRC's membership (8 affirmative votes) vote to override the term limit.

## ARTICLE VI MEETINGS

The CRC shall meet in City Hall or if authorized by law, via tele or videoconference, at an established date and time suitable for its purpose. Six members of the Committee shall constitute a quorum for the purpose of conducting meetings. Other meetings scheduled for a time or place different from that established for regular meetings shall be designated special meetings. All meetings shall be held in accordance with the Ralph M. Brown Act (Government Code section 54950 et seq.) and the City of Oakland Sunshine Ordinance (Oakland Municipal Code Chapter 2.20).

## ARTICLE VII RULES AND PROCEDURES

The CRC, in consultation with the City Administrator, shall establish rules and procedures for the conduct of its business by a majority vote of the members present; provided that a quorum for the conduct of business is six members. Voting shall be required for the adoption of any motion or resolution. The business of the Commission shall be conducted, in so far as it is practicable, in accordance with parliamentary rules contained in *Robert's Rules of Order Newly Revised*, as it may be amended from time to time, except as modified by these bylaws and in compliance with the state open meeting laws (Brown Act, Government Code section 54950 et seq.) and local Sunshine Ordinance (Oakland Municipal Code Chapter 2.20).

The discussion of an agenda item shall proceed as follows:

- (a) Either the Commission Member who agendized the item or staff will provide a brief report regarding the item;
- (b) Members of the public will have an opportunity to speak once on the item;

- (c) Commission members will have an opportunity to deliberate the item and ask related questions of staff or members of the public; and
- (d) Commission members will have an opportunity to make a motion related to the disposition of item.

Two minutes minimum shall be provided to a public speaker proving comment on an agenda item or at open forum.

## **ARTICLE VIII REPORTS AND RECOMMENDATIONS**

The CRC shall make reports, findings and recommendations either to the City Administrator or the City Council, as appropriate. An annual report will be presented in writing to the City Council.

However, recommendations from the CRC shall be carefully and fully considered by the City Administrator before they are presented to the Council. If the City Administrator rejects its recommendation(s), the CRC may submit the recommendation(s) to the City Council for consideration, as appropriate.

## **ARTICLE IX STAFF**

The City Administrator, or a designee, may provide the CRC with staff assistance and a representative of the City Attorney's Office will attend committee meetings as appropriate.

**ARTICLE X  
COMMITTEES**

The CRC may not create any Standing Committees for the purpose of delegating any of the Commission's decision-making or duties, but may form ad hoc committees as needed to examine, study, review matters/issues and present their analyses, proposals, findings, recommendations to the Commission for its consideration and action.

**ARTICLE XI  
AMENDMENTS OF BYLAWS**

Bylaws may be amended, or new Bylaws adopted, at any regularly scheduled meeting of the CRC provided that notice of the proposed action shall have been sent to each member of the CRC at least fifteen (15) days before said meeting. A two-thirds (2/3) vote of the total CRC's membership (8 affirmative votes) shall be required to amend and/or adopt new Bylaws. The CRC may amend without permission of the City Council, Office of the City Administrator, or Oakland Police Department only those provision of these Bylaws that do not give the Commission powers that are reserved for the City Council/ City of Oakland, Office of the City Administrator, or the Oakland Police Department.

ATTEST: \_\_\_\_\_  
Joe DeVries-Gregory Minor  
Staff to Cannabis Regulatory Commission

2021 ADMINISTRATIVE REGULATIONS AND PERFORMANCE STANDARDS  
FOR CITY OF OAKLAND CANNABIS OPERATORS

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## **I. Introduction**

Oakland Municipal Code (“OMC”) Sections 5.80.040 and 5.81.070 require the City Administrator to set forth operating and performance standards for cannabis operators.

The definitions set forth in OMC Chapters 5.80 and 5.81 apply to the interpretation and understanding of these Administrative Regulations (“Cannabis Operator Regulations”). Additions from prior Cannabis Operator Regulations are shown in underline and deletions are shown as ~~strikethrough~~.

## **II. Compliance with State Law, Municipal Code and Regulations**

Cannabis operators must comply with all applicable state and local laws, policies or regulations, including, but not limited to, the Health and Safety Code, the Business and Professions Code, the Medical and Adult Use Cannabis Regulation and Safety Act (MAUCRSA) and any related regulations, the City of Oakland adopted Building Code, Plumbing Code, Electrical Code, Mechanical Code, Fire Code<sup>1</sup>, and the Americans with Disabilities Act.

Medical cannabis operators must pay the Cannabis Tax as required pursuant to Section OMC 5.04.480 as may be amended and adult use cannabis operators must pay the Cannabis Tax as required pursuant to Section OMC 5.04.481 as may be amended.

Cannabis operators must comply with any applicable Conditions of Approval and the City Administrator’s Administrative Regulations for Cannabis Operators, including any additions or revisions hereto.

Failure to comply with the Conditions of Approval, the Cannabis Operator Regulations provided in this document, and any applicable local and state laws or regulations may result in the imposition of fines, and suspension or revocation of any permit. Cannabis operators may also be subject to enforcement through the City’s nuisance abatement process and other administrative enforcement mechanism, civil action, and/or criminal prosecution.

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<sup>1</sup> See Title 15 of the Oakland Municipal Code for the Building, Plumbing, Electrical, Mechanical, and Fire Codes. [https://library.municode.com/ca/oakland/codes/code\\_of\\_ordinances?nodeId=TIT15BUCO](https://library.municode.com/ca/oakland/codes/code_of_ordinances?nodeId=TIT15BUCO)



### III. Permitting

#### A. Applications for Permit

The City Administrator shall be responsible for implementing a process for selection of qualified cannabis operators and may set forth criteria to determine an operator's qualifications to meet the requirements of the applicable City's ordinances, regulations and state law. In addition to the standards set forth in the Cannabis Operator Regulations provided herein and Oakland Municipal Code Chapters 5.80 and 5.81, the City Administrator or his/her designee may consider the history of applicant's operating experience in the City of Oakland and/or relevant information from outside jurisdictions during the review of his or her application for Cannabis Dispensary, Delivery-Only Dispensary, Cultivation, Manufacturing, Distribution, Lab Testing or Transporter permit or the renewal thereof.

In applying for a cannabis permit, the cannabis operators shall pay the required non-refundable application fee as mandated in Chapter 5.80 and 5.81 of the Oakland Municipal Code. When a cannabis permit is issued, the annual regulatory fee is due. Cannabis Permits are valid for one (1) year from the date of issuance. In no event does the Cannabis Permit confer a vested right to operate for beyond the one (1) year term.

Cannabis operators shall comply with any specific, additional administrative regulations, procedures and measures imposed as conditions of approval by the City Administrator to ensure that the operation is consistent with protection of the health, safety and welfare of the community and will not adversely affect surrounding uses. Additionally, any approved aspects of the cannabis operator's permit application shall be deemed to be incorporated into the operator's permit; failure to comply with all aspects of the approved permit application may be grounds for revocation of the permit.

#### B. Renewal of Permits

Permits must be renewed annually with the City Administrator's Office. Permit Holders shall contact the City Administrator's Office no later than forty-five (45) days before the expiration of the current permit to begin the renewal process. At that time, the cannabis operator shall submit the renewal application form along with renewal application fees and annual regulatory fees, verification of the current Business Tax Certificate, and any other requested financial documents or information as required by the OMC or the Regulations. If the Oakland cannabis operation is part of a multi-operator business or is included as part of a non-cannabis business for tax reporting purposes, the audited financial statements must be for the cannabis operation part of the business.

As part of the annual renewal process the cannabis operator shall be inspected by the ~~Building Inspector~~, Fire Marshal, any applicable County agency or their designees and pay any fees required by those agencies. Violations of the OMC shall be corrected within a reasonable time, as determined by the ~~Building Inspector~~, Fire Marshal or his/her designee. The cannabis operator shall provide proof to the City Administrator's Office that there are no outstanding violations of the OMC.

Dispensaries are subject to public hearings as part of their annual renewal.

**C. Prohibited Operations and Nonconforming Uses for Dispensaries**

OMC Section 5.80.80 provides as follows:

1. Operation of a dispensary or delivery only dispensary in violation of California Health and Safety Code Section 11326.7, et seq., 11362.5, the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) and this chapter are expressly prohibited. It is unlawful for any dispensary or delivery only dispensary in the City, or any agent, employee or representative of such dispensary or delivery only dispensary, to permit any breach of peace therein or any disturbance of public order or decorum by any tumultuous, riotous or disorderly conduct on the premises of the dispensary or during the delivery of cannabis.
2. Except for uses established pursuant to Chapter 8.46, no use which purports to have distributed cannabis prior to the enactment of this chapter shall be deemed to have been a legally established use under the provisions of the Oakland Planning Code, this Code, or any other local ordinance, rule or regulation, and such use shall not be entitled to claim legal nonconforming status.
3. Any violations of this chapter, including administrative regulations authorized by this chapter, may be subject to administrative citation, pursuant to Chapters 1.08 and 1.12, and other applicable legal, injunctive or equitable remedies.

**D. Prohibited Operations and Nonconforming Uses for Cultivators, Manufacturers and other facility permits pursuant to OMC Chapter 5.81**

Oakland Municipal Code Sections 5.81.110 provide as follows:

1. Any cultivating, manufacturing, testing, or transporting—without a permit under this chapter is expressly prohibited. No use that purports to have cultivated, distributed, manufactured, tested or transported cannabis shall be deemed to have been a legally established use under the provisions of the Oakland Planning Code, the Oakland Municipal Code, or any other local ordinance, rule or regulation, and such use shall not be entitled to claim a vested right, legal nonconforming or other similar status.
2. Any violations of this chapter may be subject to administrative citation, pursuant to Chapters 1.08 and 1.12, and other applicable legal, injunctive or equitable remedies.

**E. Revocation**

Suspensions and revocations of permits shall follow the procedures set forth in OMC Sections 5.80.070 and 5.81.120.

## **F. Liability and Indemnity**

OMC Sections 5.80.090 and 5.81.91 provide as follows as to the liability of a Cannabis operator that has been issued a permit (hereinafter referred to as “permittee”) by the City of Oakland:

1. To the fullest extent permitted by law, any actions taken by a public officer or employee under the provisions of this chapter shall not become a personal liability of any public officer or employee of the City.
2. To the maximum extent permitted by law, the permittees under this chapter shall defend (with counsel acceptable to the City), indemnify and hold harmless the City of Oakland, the Oakland City Council, and its respective officials, officers, employees, representatives, agents and volunteers (hereafter collectively called City) from any liability, damages, actions, claims, demands, litigation, loss (direct or indirect), causes of action, proceedings or judgment (including legal costs, attorneys' fees, expert witness or consultant fees, City Attorney or staff time, expenses or costs) (collectively called "action") against the City to attack, set aside, void or annul, any cannabis-related approvals and actions and comply with the conditions under which such permit is granted, if any. The City may elect, in its sole discretion, to participate in the defense of said action and the permittee shall reimburse the City for its reasonable legal costs and attorneys' fees.
3. Within ten (10) calendar days of the service of the pleadings upon the City of any action as specified in Subsection B. above, the permittee shall execute a letter of agreement with the City, acceptable to the Office of the City Attorney, which memorializes the above obligations. These obligations and the letter of agreement shall survive termination, extinguishment or invalidation of the cannabis-related approval. Failure to timely execute the letter of agreement does not relieve the applicant of any of the obligations contained in this section or any other requirements or performance or operating standards that may be imposed by the City.

## **G. Transfer of Permits**

Permits issued under OMC Sections 5.80 and 5.81 only apply to the premises and the entities or individuals originally specified, except upon written permission of the City Administrator’s Office granted upon written application to the City Administrator’s Office made in the same manner as required in the original application process. All individuals with a direct or indirect interest in the permit not listed on the original application must undergo a live scan background check and inspections of the originally permitted premises by relevant agencies may be required.

#### **IV. Performance Standards**

A cannabis operator shall operate in conformance with the following standards, and such standards shall be deemed to be conditions of approval on any permit, to ensure that its operation complies with California law, the OMC, and mitigates any potential adverse impacts of the cannabis operation.

##### **Operations**

1. Only dispensary and delivery-only dispensaries operators may provide cannabis to the public.
2. Only dispensaries are open to the public.
3. Any cannabis provided to other cannabis operators, patients or adults 21 and over shall be properly labeled in strict compliance with state and local laws, regulations and policies.
4. Cannabis operators shall not allow cannabis to be smoked, ingested or otherwise consumed on the premises, except in strict compliance with the terms of an approved onsite consumption permit. The term premises includes the actual building, as well as any accessory structures, parking areas, or other immediately surrounding areas.
5. Cannabis operators shall not hold or maintain a license from the State Department of Alcoholic Beverage Control to sell alcoholic beverages, or operate a business that sells alcoholic beverages at the same location and time as a cannabis operation.
6. Cannabis operators shall post a copy of the City of Oakland Business Tax Certificate issued by the Business Tax Office and a copy of the cannabis permit issued by the City Administrator's Office in a conspicuous place on the premises.
7. Manufacturing of edible cannabis products must be done in compliance with all state and county laws, including health department regulations.

##### **Background Checks**

8.
  - A. Prior to employment, but only after a conditional job or appointment offer has been made, Executives, Board Members and Managers of Cannabis operators permitted by the City of Oakland pursuant to OMC Chapter 5.80 or 5.81 must undergo a Live Scan background check. The purpose is to determine whether the individual has been convicted or plead guilty or *nolo contendere* to the following criminal offenses, or their equivalent if arising out of state:
    - a) Penal Code Section 187 (homicide)
    - b) Penal Code Section 207 (kidnapping)
    - c) Penal Code Section 211 (robbery)
    - d) Penal Code Sections 245 (assault with deadly weapon)

- e) Penal Code Sections 458-464 (burglary)
- f) Penal Code Sections 470-483.5 (forgery)
- g) Penal Code Sections 484-502.9 (larceny)
- h) Penal Code Sections 503-515 (embezzlement)

Proposed Executives, Board Members, and Managers must contact the City Administrator for information related to the processing and cost of the fingerprinting, and any costs must be paid for in advance by the cannabis operation. Background checks shall be limited to the past seven (7) years.

If the background investigation determines a proposed Executive, Board Member or Manager has been convicted of or plead guilty or *nolo contendere* to one of the above offenses in the last seven years, the individual shall be informed of such by the City Administrator's Office and offered an opportunity to submit evidence of mitigation or rehabilitation to the City Administrator's Office before a final decision is made to exclude the proposed board member or manager. The City Administrator retains discretion in determining whether an Executive Director, Board Member or Manager is permitted to participate in the Cannabis Operation permit.

- B. If a Cannabis Operator elects to conduct a background check on other employees the background check must be done in the following manner.
  - i. Background checks may only take place after a conditional job offer has been made.
  - ii. Background checks must be conducted by a reputable third party.
  - iii. Background checks shall not utilize prior cannabis offenses to prohibit employment.
  - iv. Background checks must be in compliance with applicable state and federal laws including, but not limited to, Fair Credit Reporting Act (FCRA) 15 USC §1681 et seq. and Investigative Consumer Reporting Act (ICRAA) CA Civil Code §1786 et seq.

## **Records**

- 9. Cannabis operators shall implement a track and trace program as prescribed by state law that records the movement of cannabis and cannabis products in their custody and make these records available to the City Administrator upon request.
- 10. Cannabis operators shall keep accurate records, follow accepted cash handling practices and maintain a general ledger of cash transactions.
- 11. Cannabis operators shall allow the City Administrator to access the books, records, accounts and all data relevant to its operations for purposes of conducting an audit or examination to determine compliance with the OMC, the Operating Regulations and applicable laws. Books, records, accounts and all relevant data shall be produced no later than twenty-four (24) hours after the date of the City Administrator's written request.

## **Facilities**

12. Cannabis operators must be located six hundred feet (600') from any public or private school as measured via path of travel.
13. Cannabis operators shall not permit any breach of peace inside of their facility or any disturbance of public order or decorum by any tumultuous, riotous or disorderly conduct.
14. Cannabis facilities shall be designed with sufficient sound absorbing insulation so that the noise generated inside is not audible on the premises, or public rights-of-way, or any other building or other separate unit within the same building beyond that of a normal commercial office as determined by the City Administrator.
15. Cannabis facilities shall be designed to provide sufficient odor absorbing ventilation and exhaust system so that any odor generated inside the facility is not detected outside the building, on adjacent properties or public rights-of-way, or within any other unit located within the same building as the Cannabis operator, if the use only occupies a portion of a building.
16. No cannabis shall be detectable by sight outside of a cannabis facility.
17. Cannabis operators must implement a community beautification plan to reduce illegal dumping, littering, graffiti and blight and promote beautification of the adjacent community within 50 feet of the cannabis facility.
18. All cannabis associated with the cannabis operation must be stored at the site of the permitted facility.

## **Security**

19. Security cameras shall be installed and maintained in good condition. The camera and recording system must be of adequate quality, color rendition and resolution so as to allow the identification of an individual. The minimum camera resolution shall be 1280 x 720 pixels. The cameras shall be in use 24 hours per day, 7 days per week, and shall cover all cannabis dispensing areas, storage areas, all doors and windows into the cannabis facility, parking areas and other areas as determined by the Chief of Police or his/her designee. The recordings shall be maintained at the property for a period of thirty (30) days. Surveillance cameras must satisfy any state requirements, including Bureau of Cannabis Control Regulation Section 5044.
20. The security cameras must be Internet Protocol (IP) cameras capable of providing real time footage over the internet. Operators must provide the Oakland Police Department with access to this real-time camera footage in case of an emergency.

21. The cannabis facility shall be alarmed with a centrally-monitored fire and burglar alarm system, and monitored by an alarm company properly licensed by the State of California Department of Consumer Affairs Bureau of Security and Investigative Services in accordance with California Business & Professions Code § 7590 *et seq.* and whose agents are properly licensed and registered under applicable law.
22. Exterior windows and roof hatches at the property shall be secured so as to prevent unauthorized entry and also equipped with latches that may be released quickly from the inside to allow exit in the event of an emergency.
23. Cannabis facilities shall maintain adequate exterior lighting in the parking areas to help provide safety for qualified patients, primary caregivers, customers, and employees.
24. Non-dispensary facilities that are either (a) greater than 10,000 square feet or (b) subject to more than two burglaries, robberies, attempted burglaries, or attempted robberies, in less than six months shall maintain at least one security guard duly licensed by the State of California, Department of Consumer Affairs. Security guards shall possess a “Security Guard Card” at all times.
25. Any crimes or attempted crimes at the cannabis facility, including burglaries, robberies, attempted burglaries, and attempted robberies, must be reported within forty-eight (48) hours to the Oakland Police Department through a police report and to the City Administrator’s Office via an email to [cannabisapp@oaklandca.gov](mailto:cannabisapp@oaklandca.gov).
26. Cannabis facilities lacking a security guard must maintain a safe at their facility that either weighs more than seven-hundred (700) lbs. or is bolted to the ground.
27. Exterior entry/exit doors shall be commercial grade with commercial grade locking mechanisms.
28. If an operator is seeking local authorization for a provisional state license to conduct commercial cannabis activity prior to obtaining a City of Oakland cannabis permit, operators must cure any defects identified in the City of Oakland’s security inspection within 30 days.

### **Signage**

29. Exterior signage shall be limited to one wall sign not to exceed 10 square feet in area, and one identifying sign not to exceed two square feet in area unless otherwise proscribed by the Planning and Building Department in the zoning clearance issued to the Cannabis operation. Such signs shall not be directly illuminated.

### **Labor & Employment Practices**

30. Cannabis operators must provide compensation and opportunities for continuing education and training to their employees. Cannabis operators shall provide proof of their policy

and regulations to the City Administrator or his/her designee upon request. The City reserves the right to review employee policies and procedures and to audit their employee records to determine how many employees have participated in education and training programs, as well as what programs are being offered and how employees are being compensated to assure that the Cannabis operator is complying with this condition.

31. Cannabis operators must purchase at least 50% of their products, equipment, materials from Oakland businesses and hire only local firms for construction.

32. Cannabis operators must provide a living wage as defined by OMC Section 2.28 to their employees. Wage scale should be provided in writing for all levels of employment at the facility.

33. Cannabis operators must provide Equal Benefits and sign a Declaration of Non-Discrimination as required.

### **Equity Permit Program**

34. In order to receive City benefits under the Equity Assistance Program, such as fee waivers, and technical or financial assistance, Equity applicants must ~~annually~~ submit income and residency documents to the City Administrator, or his/her designee, that verify their equity status within four years of their initial verification.

35. Regardless of whether the Initial Permitting Phase has expired, a General Applicant that the City approved as an Equity Incubator either for a ~~temporary or~~ provisional state license or for a special activity permit based on their commitment to provide security measures and three years of free real estate or rent for a minimum of 1,000 square feet for an Equity applicant to conduct its business operations must continue to provide this free space and security for the three-year period, This three-year period commences when the equity applicant obtains access to the premises for operating its business with all security measures in place, as demonstrated by Oakland Police Department final inspection and approval.

- a. Incubated Equity Applicants shall have access to camera footage of their cannabis business premises as well as the exterior of the building in which the Equity business resides.
- b. General Applicant incubators shall provide their Equity Applicants with a safe.

36. To preserve a General Applicant's Equity Incubator status, an Equity applicant receiving equity incubator benefits must operate an active cannabis business.

37. Equity applicant ownership must satisfy the definition of "ownership" under OMC Sections 5.80.010 and 5.81.20 such that the equity qualifying individuals maintain control over at least half of the cannabis operation.



## Local Authorization for a ~~Temporary or Provisional~~ Annual State License

38. To obtain local authorization for an annual state license to conduct commercial cannabis activity an operator must obtain a cannabis permit from the City of Oakland. To maintain local authorization for an annual state license, operators must renew their cannabis permit annually.

39. An operator with a current cannabis permit from the City of Oakland may be locally authorized for a provisional state license in lieu of an annual state license to conduct commercial cannabis activity.

40. To maintain local authorization for a ~~temporary or~~ provisional state license to conduct commercial cannabis activity an operator must have submitted a cannabis permit application before September 1, 2019, be in compliance with the Revenue Management Bureau, and demonstrate good faith progress in obtaining approvals from the Building and Fire Prevention Bureaus, the Oakland Police Department, and if required, Alameda County Health Department and East Bay Municipal Utility District. Good faith progress with Building and Fire Prevention Bureaus shall be demonstrated by entering into a 120 Day Local Authorization Building and Fire Permitting Compliance Plan for Cannabis Operators by March 1, 2021. The Compliance Plan will require satisfying the following milestones and requirements:

a. If not completed already, applying for a Certificate of Occupancy and scheduling a Field Check Inspection with the Building and Fire Prevention Bureaus by March 5, 2021 within sixty (60) ~~five (5)~~ days from the publishing of these Operator Guidelines. The date of the actual inspection will be determined by the Building and Fire Prevention Bureaus.

b. Complying with all requirements outlined in any Correction Notice, Notice of Violation, and/or any other notice issued by the Bureaus of Building and Fire Prevention in regards to a violation of the California Building Standards Code (California Code of Regulations, Title 24) and any local Oakland amendments to said regulations, including but not limited to Title

c. Submitting any required plans and obtaining any required building and fire permits within ~~sixty (60)~~ thirty (30) days from either March 1, 2021 or the completion of the field check for all cannabis operators other than extraction operators. Extraction operators shall submit any required plans and obtain any required building and fire permits within ~~ninety (90)~~ forty-five (45) days from either March 1, 2021 or the completion of the field check.

d. Obtaining any required building and fire permits within five business days of receiving plan approvals.

e. Completing work and obtaining final approvals by July 1, 2021 or as prescribed by the permit(s) issued by six (6) months of receiving plan approvals and permits from the Bureaus of Building and Fire Prevention.

f. Providing a monthly update before the fifth day of each month until the operator obtains a City of Oakland cannabis permit to [cannabisapp@oaklandca.gov](mailto:cannabisapp@oaklandca.gov) regarding the operators' progress towards completing the above milestones.

41. In order for a General Applicant incubator to maintain its local authorization for a ~~temporary or~~ provisional state license, all Equity Applicants being incubated by them that have not yet obtained a City of Oakland cannabis permit must maintain their local authorization for a temporary or provisional state license in accordance with the requirements of Section ~~thirty-seven~~ forty (40) above.

## **California Environmental Quality Act (“CEQA”)**

42. Each Cannabis Operator must receive an environmental determination pursuant to CEQA (Public Resources Code Section 21000 et seq.) from the City prior to approval of the Cannabis Operation Permit. The City, in its discretion and based on substantial evidence in the record, may determine that either: (1) a CEQA exemption applies and a Notice of Exemption (NOE) is appropriate, or (2) further environmental study, including but not limited to, an Initial Study, Environmental Impact Report (EIR), or other study may be needed depending upon the proposed Cannabis operation. The City will inform the Cannabis operator before granting the Cannabis Operation Permit as to what, if any, further environmental review is needed, or whether an NOE is appropriate.

43. If the City determines that the Cannabis operation should receive an NOE, then the Cannabis operator must then file the NOE with Alameda County Clerk and the state Office of Planning and Research (OPR) within five (5) days from the date of the Cannabis Permit approval. The Cannabis Operator shall furnish proof of the filed NOE to the City Administrator or his/her designee upon request.

44. If further environmental review is needed, then the City will notify the Cannabis operation applicant, who will be responsible for paying for the environmental consultant. The City will then choose and retain the environmental consultant. The City will follow the same environmental review procedure required for City development projects.

## **Cultivator and Volatile Manufacturing Specific Requirements**

45. Indoor cultivators must demonstrate that one hundred percent (100%) of their electricity is derived from renewable or carbon free sources. This can be done by enrolling in East Bay Community Energy’s Brilliant 100 program (<https://ebce.org/power-mix/>) Renewable 100 Option (<https://ebce.org/change-my-plan/>) and providing confirmation annually or more frequently if required by the City Administrator’s Office.

46. Cannabis cultivation operations that will use CO2 enrichment shall provide documentation as outlined in Chapter 53, Section 5307.4 of the 2019 California Fire Code to the Oakland Fire Department (OFD) and shall not proceed with this operation until the installation has been approved by OFD.

47. Volatile manufacturing operations shall provide documentation as outlined in Chapter 39 of 2019 California Fire Code to OFD and shall not begin this operation until the installation has been approved by OFD.

## **Dispensary Specific Requirements**

48. Dispensaries shall provide the City Administrator’s Office, the Chief of Police, or their respective designees, and all neighbors located within fifty (50) feet of the premises with the name, phone number, and facsimile number of an on-site community relations staff person to

whom one can provide notice if there are operating problems associated with the Dispensary. The Dispensary shall make a good faith effort to encourage neighbors to call the community relations staff person to try to solve operating problems, if any, before any calls or complaints are made to the City Administrator or Police Department.

49. Maximum operating hours for a Dispensary shall be as follows: 7:01 am to 7:59 pm daily. The Dispensary is prohibited from operating between the hours of 8:00 p.m. and 7:00 a.m. the next ensuing day, except that patients or customers who have entered the premises prior to closing time may complete their transactions and must be escorted out of premises immediately upon completion of transaction.

50. Dispensary operators must maintain a staff comprised of at least 50% Oakland residents with the goal of 25% of all employees from Oakland census tracts identified by the City Administrator as having high unemployment rates.

51. Dispensaries are encouraged to disclose the percentage level of delta-9 (trans) tetrahydrocannabinol, cannabidiol, and cannabiniol in cannabis to qualified patients and customers prior to purchase.

52. Dispensaries shall maintain records of its medical cannabis patients using only the State of California Medical Marijuana Identification Card number issued by the county or the County's designee, pursuant to California Health and Safety Code Section 11362.7 *et seq.*, or a copy of the written recommendation, as a protection of the confidentiality of the cardholders. Dispensaries shall track when Members' medical cannabis recommendation and/or identification cards expire and enforce conditions of membership by excluding members whose identification card or recommendation are invalid or have expired. Additionally, operators shall exclude members or customers who are caught diverting cannabis. ~~All membership records shall be available for inspection by the City Administrator or his/her designee upon the providing twenty four (24) hour notice to the Cannabis operator.~~

53. Dispensaries shall, by using the patient or caregiver's identification number, keep an accurate account of the number of members and customers that visit or do business with the Cannabis operator each month, and for the entire permit year.

~~52. Within thirty (30) days of the end of the calendar quarter, Dispensaries shall provide the following patient, caregiver and customer information:~~

- ~~a. Total number of medical use patients vs. adult use customers in database.~~
- ~~b. Total number of Oakland medical patients vs. Oakland adult use customers in database;~~
- ~~c. Total number of visits per month of previous calendar quarter, broken down by overall medical patients visits vs adult use customer visits and number of Oakland medical patient visits vs Oakland adult use customer visits.~~

~~53. Within thirty (30) days of the end of the calendar quarter, Dispensaries shall provide the total number of cannabis employees and number of employees that are Oakland residents by zip code.~~

~~54. Within thirty (30) days of the end of the calendar quarter, Dispensaries shall provide information on any charitable donations made in the previous calendar quarter, including the name(s) of charitable organization(s) in receipt of donation(s) and the amount and/or kind of donation(s).~~

54. Dispensaries shall maintain a log of patient and customer complaints and shall make the log available to the City Administrator, or his/her designee, upon request. The log shall contain at a minimum the date of the complaint, the complaining patient's identification number or reference to his/her written recommendation, the nature of the complaint, and the action taken by the Cannabis operator to address the complaint.

55. Dispensaries must also be six hundred (600) feet via path of travel from any youth center or school as defined by OMC 5.80.

56. Dispensaries shall remove litter on and in front of the premises and, if necessary, on public sidewalks within one hundred feet (100') of the facility two (2) times, in four (4) hour intervals, each operating day.

57. During Business Hours, Dispensaries shall provide a minimum of two (2) security guards duly licensed by the State of California, Department of Consumer Affairs. Each security guard shall possess a "Security Guard Card" at all times.

58. Among other duties, security guards shall be responsible for ensuring compliance with OMC Chapter 8.30, which prohibits smoking within twenty-five feet (25') of any building entrance, exit, window and air intake vent of service buildings.

59. Dispensaries shall direct security guards to monitor the outside of the premises for loitering and unlawful sale of cannabis by members or customers. Further, those security persons shall be directed to report to the Dispensary all unlawful sales of cannabis by members or customers. The Dispensary shall immediately cease providing cannabis to the reported person, and make a report within twenty-four (24) hours to the Alameda County Health Department or the doctor that issued the medical cannabis recommendation for the member, if applicable. If the patient is subsequently re-approved by county health or its agent, the dispensary may resume the providing medical marijuana to the patient and caregiver. The dispensary shall keep a record of all incidents where members unlawfully provide cannabis to non-members. Additionally, the dispensary shall inform patients and caregivers about this condition and remind them that it is unlawful for them to sell cannabis.

~~58. Dispensaries shall, within sixty (60) days of the issuance of permit, post, and thereafter maintain signs inside their facility where they may be easily read by members and customers. Each sign shall be white with black lettering, and shall comply with the following regulations regarding text, size and content:~~

~~Sign 1: Font size at least 1 inch; Overall size at least eighteen inches (18") by thirty three (33")~~

## CUSTOMER NOTICE

~~1. YOU HAVE THE RIGHT TO HAVE YOUR PRODUCT REWEIGHED AND SUPPLEMENTED IF IT IS UNDER THE STATED WEIGHT AT THE TIME OF PURCHASE.~~

~~2. IF YOU ARE PURCHASING MEDICAL CANNABIS AND YOU DO NOT HAVE A VALID STATE OF CALIFORNIA MEDICAL CANNABIS IDENTIFICATION CARD ISSUED BY ALAMEDA COUNTY HEALTH DEPARTMENT OR A VALID PATIENT ID CENTER CARD, THIS OPERATION MUST CONFIRM YOUR MEDICAL NEED FOR CANNABIS. IF YOU HAVE A VALID MEDICAL CANNABIS IDENTIFICATION CARD, YOU SHOULD NOT BE ASKED FOR ADDITIONAL INFORMATION.~~

~~Sign 2: Font size at least 1 inch~~

~~TO REGISTER COMPLAINTS OR COMPLIMENTS ABOUT THIS DISPENSARY, CONTACT: THE CITY OF OAKLAND 510 238 6370 OR BY EMAIL: CANNABISAPP@OAKLANDNET.COM?~~

~~Sign 3: Font size at least 1 inch~~

~~THE DIVERSION OF CANNABIS IS A VIOLATION OF STATE LAW.~~

~~Sign 4: Font size at least 1 inch~~

~~THE USE OF CANNABIS MAY IMPAIR A PERSON'S ABILITY TO DRIVE A MOTOR VEHICLE OR OPERATE HEAVY MACHINERY.~~

~~Sign 5: Font size at least 1 inch~~

~~LOITERING AT THE LOCATION OF A CANNABIS DISPENSARY FOR AN ILLEGAL PURPOSE IS PROHIBITED BY CALIFORNIA PENAL CODE SECTION 647(h).~~

~~Sign 6: Font size at least 1 inch~~

~~THIS CANNABIS OPERATION HAS RECEIVED A PERMIT TO OPERATE FROM THE CITY OF OAKLAND AND THE STATE OF CALIFORNIA~~

### **Ramifications for Failing to Appear at Community Meetings**

60. Under OMC 5.80.020 (E) and OMC 5.81.050(E) cannabis applicants proposing to situate within 300 feet of a residential zone must participate in a community meeting before obtaining a cannabis permit or other approvals.

61. City staff will coordinate with cannabis applicants required to participate in a community meeting regarding the scheduling of the community meeting. If the applicant fails to attend the community meeting that has been scheduled and noticed, the applicant must provide a written

justification for why they failed to attend in the meeting before City staff will schedule another meeting.

62. If an applicant required to participate in a community meeting fails to attend a community meeting more than once, that applicant is no longer eligible for a permit at that location.

### **Community Beautification**

63. OMC 5.80.020(D)(4) and OMC 5.81.070(B)(3) require permitted facilities to implement a community beautification plan to reduce illegal dumping, littering, graffiti and blight and promote beautification of the adjacent community within fifty (50) feet of the cannabis facility.

64. Cannabis operators shall satisfy this community beautification requirement by reducing illegal dumping, littering, graffiti and blight on at least a quarterly basis and operators shall maintain records of their compliance for at least one year, such as before and after photos or receipts, and make these records available to the City Administrator's Office upon request.

### **Cannabis Program Assessment Survey**

65. In order to gather state required demographic data on the City of Oakland's cannabis applicants and licensees and information about the status of the City of Oakland's cannabis industry the City of Oakland will distribute a survey in 2021 to all cannabis applicants and licensees. All demographic information gathered will be aggregated and demographic information on individual applicants shall be confidential and have no impact on an operator's cannabis application or permit.

66. Cannabis applicants and licensees shall complete the 2021 Cannabis Program Assessment Survey within thirty (30) days of receipt.

## **V. Effective Date of Cannabis Operator Regulations and Changes**

Any amendments to these Cannabis Operator Regulations shall take effect immediately, and compliance with current regulations shall be required for all new permit applicants.

~~All cannabis operators impacted by a change in the Regulations, including but not limited to, a change in the existing regulations or the addition of a new regulation, shall comply with the changed or new regulation within sixty (60) days of the effective date of the regulation, unless a longer time is approved in advance in writing by the City Administrator.~~

***AS YOU KNOW, THE CULTIVATION, POSSESSION, DISTRIBUTION AND SALE OF ANY TYPE OF CANNABIS, INCLUDING MEDICAL CANNABIS, IS PROHIBITED UNDER FEDERAL LAW.***

**A CANNABIS PERMIT ISSUED BY THE CITY OF OAKLAND DOES NOT PROVIDE ANY IMMUNITIES OR DEFENSES TO FEDERAL PROSECUTION OR ENFORCEMENT ACTIONS AGAINST PERMITTEES, THEIR CULTIVATORS, LANDLORDS OR OTHER PARTIES INVOLVED IN CANNABIS ACTIVITY. AS A RESULT, THE PERMIT SHOULD NOT BE RELIED UPON AS PROVIDING ANY IMMUNITIES OR DEFENSES FROM SUCH PROSECUTION OR ENFORCEMENT ACTION.**

***The permittee agrees to indemnify and save harmless the City of Oakland, its officers, agents, employees and volunteers, and each of them, from any suits, claims, or actions brought by an person or persons, corporations, government agencies or other entities on account of any activities associated with this permit such as but not limited to cannabis distribution, cultivation or transportation.***

\_\_\_\_\_  
Greg Minor,  
Assistant to the City Administrator

Date: \_\_\_\_\_

DRAFT