

Cannabis Regulatory Commission

Regular Meeting

Thursday February 6, 2025, 6:30 pm
1 Frank Ogawa Plaza, City Hall, Council Chambers
Oakland, CA 94612

AGENDA

Reminder: This meeting will take place in person. Members of the public can observe and participate remotely via zoom as well.

PUBLIC PARTICIPATION INSTRUCTIONS

TO OBSERVE:

Join from PC, Mac, iPad, or Android:

<https://us06web.zoom.us/j/84447716065>

Phone one-tap:

+16699006833,,84447716065# US (San Jose) 14086380968,,84447716065# US
(San Jose)

Webinar ID: 844 4771 6065

International numbers available: <https://us06web.zoom.us/j/kdlHAWhdTK>

After calling any of these phone numbers, if you are asked for a participant ID or code, press #. Instructions on how to join a meeting by phone are available at: <https://support.zoom.us/hc/en-us/articles/201362663>, which is a webpage entitled “Joining a Meeting By Phone.”

TO PROVIDE PUBLIC COMMENT: There are two ways to make public comment within the time allotted for public comment on an eligible Agenda item.

- Attend in person; or
- Comment in advance. To send your comment before the meeting starts, please send your comment, along with your full name and agenda item number you are commenting on, to Kat Torio at ktorio@oaklandca.gov. All submitted public comments will be provided to the Cannabis Regulatory Commission prior to the meeting.
- Comment virtually. When public speakers are called for an item please raise your hand in zoom and unmute yourself. If you have dialed in, please press “9” to raise your hand and “*6” to unmute.

Persons may speak on any item appearing on the agenda; however, a Speaker Card must be filled out and given to a representative of the Cannabis Regulatory Commission. Multiple agenda items cannot be listed on one speaker card. If a speaker signs up to speak on multiple items listed on the agenda, the Chairperson may rule that the speaker be given an appropriate allocation of time to address all issues at one time (cumulative) before the items are called. All speakers will be allotted 3 minutes or less – unless the Chairperson allots additional time.

♿ This meeting is wheelchair accessible. In compliance with the Americans with Disabilities Act, if you need special assistance to participate in the meetings of the Cannabis Regulatory Commission, please contact the Office of the City Clerk (510) 238-3612. Notification two full business days prior to the meeting will enable the City of Oakland to make reasonable arrangements to ensure accessibility. In compliance with Oakland’s policy for people with chemical sensitivities, please refrain from wearing strongly scented products to events.

Questions or concerns regarding this agenda, or to review any agenda-related materials, please contact the Cannabis Regulatory Commission at (510) 238-6370.

If you have any questions about these protocols, please e-mail Kat Torio, at ktorio@oaklandca.gov

Members:

Samantha Sage	District 1	Hellen Harvey	District 7
M. Chaz Walker	District 2	Vacant	At Large
Zachary Gayner	District 3	Yulie Padmore	Mayor
Tariq Ikharo	District 4	TiYanna L. Smith	City Auditor
Linda Grant	District 5	Vacant	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 Meeting on January 9, 2025
- C. Reports for Discussion and Possible Action
 - 1. Form 700 Filers Training by City of the Clerk's Office
 - 2. Request for CRC's Annual Report to the City Council
 - 3. Case 4 Cannabis (C4C) Update
 - 4. Subcommittee & Dept. of Cannabis
 - 5. Implementation Update on State Grants
- D. Review of the Pending List and Additions to Next Month's Agenda
 - *Invitation to Oaksterdam*
- E. Open Forum / Public Comment
- F. Announcements
 - 1. Update on Cannabis Permitting Process
 - 2. Cannabis Café Onsite Consumption Update
 - 3. Apply to serve on CRC here:
<https://oakland.granicus.com/boards/w/8552f8c4c0e15460/boards/6697>
- G. Adjournment

Cannabis Regulatory Commission

Meeting Minutes

Thursday January 9, 2025, 6:30 pm
I Frank Ogawa Plaza, City Hall, 1st Floor Hearing Room 2
Oakland, CA 94612

Reminder: This meeting will take place in person. Members of the public can observe and participate remotely via zoom as well.

PUBLIC PARTICIPATION INSTRUCTIONS

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Join from PC, Mac, iPad, or Android:

<https://us06web.zoom.us/j/85350171495>

Phone one-tap:

+14086380968,,85350171495# US (San Jose) 16694449171,,85350171495# US

Webinar ID: **853 5017 1495**

International numbers available <https://us06web.zoom.us/u/ko2p9bJtH>

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Questions or concerns regarding this agenda, or to review any agenda-related materials, please contact the Cannabis Regulatory Commission at (510) 238-6370.

Samantha Sage	District 1	Hellen Harvey	District 7
M. Chaz Walker	District 2	Chaney Turner	At Large
Zachary Gayner	District 3	Yulie Padmore	Mayor
Tariq Ikharo	District 4	TiYanna L. Smith	City Auditor
Linda Grant	District 5	Vacant	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

Present: Members Sage, Walker, Gayner, Ikharo, Grant, Harvey, Padmore, Smith, and Torio as City Administrator Staff.

Absent: None

B. Approval of the Draft Minutes from the CRC Meeting on December 5, 2024

Vice Chair Smith moved to approve the minutes as drafted, and Member Walker seconded the motion. The motion passed unanimously.

C. Reports for Discussion and Possible Action

1. Training on CRC Bylaws, purpose, and powers

Commissioners were giving a hard copy handout of F&Qs for the CRC compiled by the City Attorney's Office. Commissioners were instructed to review and if there were any questions request for the item to be agendaized for discussion in a future meeting. Member Grant asked if the commission can propose ideas for cannabis. Torio responded yes if the items are agendaized, they can be discussed. Member Sage asked if Torio could speak on contracted third party providers. Torio responded if the questions are nuisance or permit related, we may have the answers otherwise we would defer to the organization or the City Attorney. Member Grant asked if Commissioners could propose ideas to the cannabis community. Torio responded that if conversations are in alignment with the Brown Act, they are acceptable. Vice Chair Smith stated Commissioners should review Measure Z and spoke of a need for a Department of Cannabis in the City and future iterations of the Commission. Member Walker asked about forming a subcommittee for cannabis. Vice Chair stated there is an existing but dormant subcommittee which should be reengaged. Member Walker suggested making a motion on forming an Department of Cannabis Vice Chair Smith suggested the motion to include a discussion on that topic could be made in the current meeting. Member Padmore requested interest and requested time to discuss the subcommittee formation. Member Walker requested prior notes and status of where subcommittee was left. Vice Chair Smith stated they would look for some records of the subcommittee. Member Zach asked for an explanation of permitting and nuisance abatement for cannabis through the City Administrators office and by association SAPD. Torio explained the current permitting and nuisance abatement process.

2. General Plan Update – Review questions and set date for Planning and Building

Commissioners received in the Jan 9th Agenda Packet the presentation of the General Plan Update presented at the Dec 5th CRC Meeting. Commissioners were instructed to review and if there were any questions request for the item to be agendaized for discussion in a future meeting. Member Sage stated desire to meet with other City Departments as a priority.

3. Nomination and Election of Chair and Vice Chair for CRC.

Vic Chair Smith explained need for agendaizing election for Chair and Vice Chair. Member Gayner made the motion to make Member Smith Chair and Member Walker Vice Chair. Vote passes, Member Smith abstained.

4. Community Meetings for Cannabis Applications within 300 Feet of Residential Zones

Numbering of Agenda was addressed as needing to be updated by Chair Smith. Torio updated the Commission on complaint logs and what information is redacted and what is available to the public. Suggested the public record request for cannabis information. Member Gayner posed question about ownership records and transfers, Torio responded that we are only alerted to changes that affect permits and or equity eligibility. Chair Smith asked about transfers of equity license and Torio suggested reaching out to Nancy Marcus for details for transferring equity licenses. Torio updated Commission on ordinance change affecting community meeting which will be included in the Feb agenda packet. Member Gayner asked about hemp licenses, Torio stated we do not have any authority over hemp licenses.

5. Implementation Update on State Grants

Torio updated the Commission on grant status a related to charts and figures included in the agenda packet. Cynthia gave public comment on LJAG funds for City staff would be returned to state March 31st. Chair Smith asked if the funds could be reallocated, Torio stated that request was made and denied by the DCC. Chair Smith suggested a discussion of the subcommittee is appropriate now. Member Sage stated a Department of Cannabis is a need and should be priority of the subcommittee. Member Sage and Padmore stated the budget crisis may be an obstacle in establishing a department of Cannabis. Chair Smith stated a Department of Cannabis in the City would solely focus on cannabis. Member Walker reiterated the importance of establishing the department as setting precedent. Member Gayner asked about amount of Taxes overdue from cannabis. Torio responded will look to see if that information is available. Chair Smith asked for rules on a subcommittee, Torio stated would get suggestions from the City Attorney. Member Grant asked if Planning and Building should be notified of the actions of the subcommittee, Torio stated yes, their involvement would be welcome. Member Gayner asked about tax liability for cannabis business in a transfer of ownership, Torio suggested contacting the City's Business Tax office for confirmation. Member Sage made a motion to form a subcommittee. Motion is seconded by Walker

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

- *Building and Fire Baseline Permitting Timelines (since January 2022)*

Torio gave an update on Accela status

- *CRC Attendance Policy (since November 2023)*

Chair Smith reiterated attendance policy, Member Padmore requested an annual schedule, Torio suggested generating a calendar, agendaizing the item and voting on it in a regular or special meeting.

- *Contracting Hazardous Materials Inspections (since November 2023)*
- *Enforcement of CUP beautification requirements (since January 2024)*

Torio stated complaints should be filed at 311 for noncompliance.

E. Open Forum / Public Comment

Cynthia made public comment supporting a cannabis subcommittee and creating of a Department of Cannabis. Member Walker asked for information on C4C, Torio stated the report for Cohort 1 is available on C4C's website. Padmore stated the need to support equity, Torio responded citing Oaksterdam Public Awareness Campaign as having that shared goal. Member Gayner asked about City incentives for Cannabis business to grow their employees base, Torio responded that they are not aware of any City programs that support that effort. Member Sage offered that Equity Trade Network as another organization supporting Oakland Equity brands. Member Gayner asked for a list of licenses in their districts, Torio responded they will inquire.

F. Announcements

1. Update on Cannabis Permitting Process - Torio gave an Accela update
2. Apply to serve on CRC here:
<https://oakland.granicus.com/boards/w/8552f8c4c0e15460/boards/6697>

G. Adjournment

Greetings Board And Commission Members

Form 700 Overview

This Informational Presentation from the Office Of The City Clerk is intended to further inform and increase Member's compliance with the timely filing of all Statement of Economic Interests Statements. This Overview includes a breakdown of your responsibilities as a required filer commencing before you participate in public meetings, as well as your responsibilities once you separate as a member of this body.

Oath of Office

- **Your first responsibility as a Board / Commission member is to take the Oath of Office. The Oath Of Office is administered by the Office of the City Clerk.**
- **THIS MUST BE COMPLETED BEFORE VOTING/PARTICIPATING IN A MEETING**
 - *the Office of the City Clerk will create the Form 700 account during the Oath appointment

Statement of Economic Interests (FPPC Form 700)

- **What is a Form 700?**

- Form 700 is a public document intended to alert public officials and members of the public to the types of financial interests that may create conflicts of interests.
- Another name for Form 700 is Statement of Economic Interest

Statement of Economic Interests (FPPC Form 700)

- The cover page is always required (pictured right), even if you “have nothing to report”.
- Each Section (1-5) should be completed accurately.
- List your Last Name, First Name & Middle
- **Section 1 Agency Name** is City of Oakland; **Division/Board** list the full name of your board/commission (no acronyms).
- **Section 2 Jurisdiction** is City of Oakland
- **Section 3 Type of Statement** depends on the filer’s timeline, see slide 5.
- **Section 4 Schedule Summary** – review each schedule and the corresponding instructions, check the box of the schedule(s) that apply to you and total your pages **OR** check None – No reportable interest
- **Section 5 Verification** – list up to date contact information, date your form and add your wet signature.

CALIFORNIA FORM 700
FAIR POLITICAL PRACTICES COMMISSION

STATEMENT OF ECONOMIC INTERESTS Date Initial Filing Received _____
Filing Official Use Only

COVER PAGE
A PUBLIC DOCUMENT

Please type or print in ink.

NAME OF FILER (LAST) (FIRST) (MIDDLE)

1. Office, Agency, or Court
Agency Name (Do not use acronyms)
Division, Board, Department, District, if applicable Your Position
If filing for multiple positions, list below or on an attachment. (Do not use acronyms)
Agency: Position:

2. Jurisdiction of Office (Check at least one box)
☐ State ☐ Judge, Retired Judge, Pro Tem Judge, or Court Commissioner (Statewide Jurisdiction)
☐ Multi-County ☐ County of
☐ City of ☐ Other

3. Type of Statement (Check at least one box)
☐ Annual: The period covered is January 1, 2019, through December 31, 2019.
-or- The period covered is through December 31, 2019.
☐ Assuming Office: Date assumed through
☐ Candidate: Date of Election and office sought, if different than Part 1:
☐ Leaving Office: Date Left (Check one circle.)
☒ The period covered is January 1, 2019, through the date of leaving office.
-or- ☐ The period covered is through the date of leaving office.

4. Schedule Summary (must complete) Total number of pages including this cover page: Schedules attached
☐ Schedule A-1 - Investments - schedule attached ☐ Schedule C - Income, Loans, & Business Positions - schedule attached
☐ Schedule A-2 - Investments - schedule attached ☐ Schedule D - Income - Gifts - schedule attached
☐ Schedule B - Real Property - schedule attached ☐ Schedule E - Income - Gifts - Travel Payments - schedule attached
-or- ☐ None - No reportable interests on any schedule

5. Verification
MAILING ADDRESS STREET CITY STATE ZIP CODE
(Business or Agency Address Recommended - Public Document)
DAYTIME TELEPHONE NUMBER EMAIL ADDRESS
()
I have used all reasonable diligence in preparing this statement. I have reviewed this statement and to the best of my knowledge the information contained herein and in any attached schedules is true and complete. I acknowledge this is a public document.
I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.
Date Signed Signature
(month, day, year) (File the originally signed paper statement with your filing official.)

[Clear Page](#) [Print](#)

FPPC Form 700 - Cover Page (2019/2020)
advice@fpcc.ca.gov • 866-275-3772 • www.fppc.ca.gov
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Statement of Economic Interests (FPPC Form 700)

- **What Financial Interests Are Involved?**

Financial Interest are disclosed within the applicable schedule(s) listed below

- Schedule A-1 : Investments
- Schedule A-2 : Business Entities/Trusts
- Schedule B : Oakland Rental Property
- Schedule C : Non-governmental salaries
- Schedule D : Gifts from public officials, businesses, vendors, or other contractors
- Schedule E : Travel payments or reimbursements made to you by someone other than your employer

*see the back of each schedule for specific instructions on that particular schedule.

Did You Know That There Are Many Different Times You Are Required To File A Form 700?

Types of Statements	Due Date
Assuming Office	Within 30 Days of Assuming Office Date
Annual Statement	April 1st Every Year (excluding weekends and holidays)
Leaving Office*	Within 30 Days of Separation
Amendments	Immediately Upon Discovery Of Error

*contact the Office of the City Clerk with your Leaving Office Date

Statement of Economic Interests (FPPC Form 700)

- **How to File?**

- File an electronic form via NetFile here: <https://netfile.com/filer>
Please Note: new filers are not able to create their own account. The City Clerk's Office will create the account.
- File a hardcopy with **wet signature**, by visiting <https://www.oaklandca.gov/services/file-a-statement-of-economic-interest-form-700>,

Complete the form and mail or drop off to

City of Oakland
Office of the City Clerk
ATTN: SEI
1 Frank H. Ogawa Plaza
Oakland, CA 94612

PLEASE NOTE YOU CANNOT SUBMIT A SCAN OR COPY

Statement of Economic Interests (FPPC Form 700)

- **Enforcement:**

- Late statements are subject to a fine of \$10 per day for each day the statement is late, up to \$100.
- Failing to file can result in referral to the California Fair Political Practices Commission (FPPC), additional fines and possible prosecution.
- Failure to file may be cause for removal of an appointed member

QUESTIONS

If you have questions related to Form 700

Please contact Elections Services:

electionservices@oaklandca.gov





AGENDA REPORT


TO: Jestin D. Johnson
City Administrator

FROM: Ashleigh Kanat
Director, Economic and
Workforce Development
Department

SUBJECT: Cannabis Regulatory Commission
2022 and 2023 Annual Reports

DATE: May 6, 2024

City Administrator Approval


Jestin Johnson (May 23, 2024 16:29 PDT)

Date: May 23, 2024

RECOMMENDATION

Staff Recommends That The City Council Receive An Informational Report From The Cannabis Regulatory Commission For The Years 2022 And 2023

EXECUTIVE SUMMARY

In 2004 Oakland voters passed ballot Measure Z, a voter initiative entitled “Oakland Cannabis Regulation and Revenue Ordinance.” In accordance with [Ordinance No. 12694 C.M.S.](#), which established the advisory committee’s procedures, staff hereby presents a report on the Cannabis Regulatory Commission’s activities during 2022 and 2023 for the City Council’s review (**Attachment A**).

For questions regarding this report, please contact Greg Minor, Deputy Director, Economic and Workforce Development Department, at (510) 238-6370.

Respectfully submitted,



ASHLEIGH KANAT
Director, Economic and Workforce
Development Department

Attachment:

A. Cannabis Regulatory Commission’s 2022 and 2023 Annual Reports

Community Economic Development Committee
June 11, 2024

ATTACHMENT A

CITY OF OAKLAND CANNABIS REGULATORY COMMISSION 2022-2023 ANNUAL REPORT

To: Oakland City Council Community Economic Development Committee
From: Cannabis Regulatory Commission
Re: 2022-2023 Annual Report
Date: April 30, 2024

Members: Chaney Turner, Chair, At Large; TiYanna Long, Vice-Chair, City Auditor; Javier Armas, District 1; Vacant, District 2; Taib Alaoui, District 3; Tariq Ikharo, District 4; Vacant, District 5; Vacant, District 6; Hellen Harvey, District 7; Yulie Padmore, Mayor; Greg Minor, City Administrator.

I. EXECUTIVE SUMMARY

The Cannabis Regulatory Commission (CRC) struggled to meet at times in 2022-2023 due to lack of quorum, but when the CRC did meet it shaped the City of Oakland's (City's) cannabis policies. 2022 discussions ranged from how to improve the security of cannabis businesses, to examining financial data for trends in the regulated marketplace, to how to utilize state grants, and whether to support the proposed Emerald New Deal ballot measure. Likewise, in 2023 the CRC advocated to limit cannabis operations on properties with live-work uses, allow cannabis operators to qualify for state licenses while obtaining local approvals, and authorize equity applicants to convert loans into grants and have the option of transferring permits to general applicants.

CRC meetings provide an essential forum for the public to guide the City's cannabis program, however, in order for this public forum to remain available, it is critical that the City Council fill CRC vacancies and that existing CRC members improve their attendance. In turn the CRC can continue to engage in policy discussions around the transition of the cannabis industry into the regulated marketplace and the evolution of the City of Oakland's Equity Program (Equity Program).

II. CANNABIS REGULATORY COMMISSION COMPOSITION AND ATTENDANCE

In 2023 the City filled three of four vacancies then existing on the CRC, leaving just the District Five representative vacant. However, in 2023 delays in appointing new CRC members combined with inconsistent member attendance and the requirement that boards return to meeting in person contributed to the CRC only having quorum for meetings in January, February, October, and November 2023. At present the CRC has vacancies for representatives of Districts Five and Six.

In terms of public engagement, public attendance at CRC meetings ranges from around ten to twenty individuals depending on the agenda topics. Attendees typically represent cannabis businesses across the supply chain, including both equity and general applicants.

III. OVERVIEW OF CURRENT OAKLAND CANNABIS LANDSCAPE

The following factors have shaped the cannabis landscape in Oakland over the last two years: (a) a newly regulated and highly taxed industry with an evolving Equity Program; (b) state grants that vary depending on local contributions; and (c) armed burglaries of cannabis businesses.

a. Newly Regulated Industry and Evolving Equity Program

After changes in state law and a race and equity analysis of the cannabis industry, in 2017 the City of Oakland adopted a permitting process for the cannabis industry's entire supply chain and an Equity Program to promote equitable ownership opportunities in the regulated cannabis marketplace. Over the last seven years, cannabis businesses seeking to operate legally have gone from operating without any regulation to operating in a dual-licensed regulatory system with multiple layers of taxation.

The challenges of operating within the regulated marketplace are compounded by the fact that an unregulated cannabis marketplace operates in parallel to the regulated market. The unregulated cannabis market can offer cannabis at a lower price than the regulated market as unregulated operators do not have to account for taxes, fees, or the cost of compliance, such as laboratory testing of cannabis for potency and pesticides, bringing a building into compliance with building and fire codes, and security requirements.

Similar to the cannabis industry, the Special Activity Permits Division, now in the Economic and Workforce Development Department (EWDD) has transitioned from monitoring eight dispensaries in 2017 to processing thousands of cannabis permit applications and directing the nation's first Equity Program equity program. The Equity Program has evolved from permitting prioritization to technical and legal assistance, revolving loan and grant programs, shared-use manufacturing facilities, workforce development programs, and purchasing property programs.

b. State Grant Funding Based on Local Contributions

Although the City of Oakland has received millions of dollars in state grants in recent years, Oakland's competitiveness for state funding depends on its willingness to continue investing City funds in its Equity Program. In 2017 the City made an impressive financial commitment to promote equitable business

ownership opportunities in the regulated cannabis industry by directing the initial \$3.4 million of new cannabis tax revenue towards a revolving loan program and technical and legal assistance for cannabis equity applicants. While the City has continued to support the Equity Program by exempting equity applicants from City application and permitting fees, the City has only made an additional direct investments in the Fiscal Year 2022-2023 midcycle budget.

Since 2020 the City has been able to continue and grow its Equity Program through state grants from Go-Biz, however, GO-Biz's available funding has fluctuated and its funding criteria weighs heavily in favor of local jurisdictions who invest their own funds in their equity programs. Go-Biz's criteria has helped Oakland "outpunch its weight" and at times receive more funding that even Los Angeles, a jurisdiction with ten times the population of Oakland, but Oakland needs ongoing local investment to remain competitive in the future.

c. Armed Burglaries

Cannabis businesses in Oakland and beyond are increasingly becoming targets of burglars and robbers, including by caravans of armed burglars, such as in the summer of 2020 and in November 2021. This is despite the fact that most cannabis business locations are not open to the public and feature security measures, such as cameras, alarms, and safes.

The burglaries usually take place at night and often on the weekends when there are either fewer officers on duty (due to only patrol staff being on duty) or officers are handling other calls for service, such as shootings, robberies, domestic violence and other non-property crimes where someone is injured or could be injured. Burglars and robbers are motivated by the prospect of obtaining cannabis products for sale on the unregulated market as well as any cash onsite due to cannabis operators' limited access to the banking system.

Furthermore, the lack of quick response time from law enforcement likely emboldens burglars and robbers to take advantage of cannabis businesses in Oakland. Delayed response time is due to a combination of factors, including the prioritization of crimes threatening lives over property crimes, huge volume of calls for service, shortage of officers, and time-intensive documentation requirements.

In terms of who is committing the burglaries and robberies, and how they are taking place, those committing the burglaries and robberies are often from outside of Oakland and they are employing increasingly aggressive measures. For example, of the eight arrested on November 21, 2021, only two were from Oakland. This presents a challenge to violence prevention strategies limited to within Oakland's borders. Burglars and robbers have also escalated from unarmed theft to armed caravans, and from utilizing ladders to access cannabis facilities to driving vehicles through structures and using blowtorches.

IV. 2022 CRC POLICY DISCUSSIONS

i. Improving the Security of Oakland's Cannabis Businesses

As noted above, several cannabis businesses have suffered from burglaries and robberies since 2020. Improving the safety of cannabis businesses in Oakland is paramount to preserving Oakland's cannabis industry, which provides wealth-building and employment opportunities in addition to City tax revenues.

Accordingly, in 2022 CRC recommended that the City explore any local and state resources available to prevent ongoing burglaries of cannabis facilities. Specifically, the CRC recommended that staff request funding from the Board of State and Community Corrections Proposition 64 Cohort 3 Grant Program to fortify cannabis operators' business locations.

ii. Trends in Oakland's Regulated Cannabis Marketplace

In 2022 the CRC received two reports from the Finance Department, which provide information on both the amount of taxes received from cannabis businesses as well as information on cannabis businesses themselves. The initial finance report revealed a decrease in tax revenue received in 2022 compared to 2021 as a result of the decreased tax rates approved by City Council in 2019. The supplemental finance report showed that the total gross receipts of Oakland's cannabis industry has grown from approximately \$156 million in 2017 to over \$244 million in 2022; however 2022 gross receipts represented a decrease from Oakland cannabis businesses total gross receipts in 2021 which totaled over \$271 million. This trend continued into 2023 as noted in **Table One** below. **Table Two** outlines the number of regulated cannabis businesses in Oakland and the amount of tax revenue received by the City between 2015-2023, which has been impacted by the lower cannabis tax rates and new tax structure adopted by the City Council in December 2019.

Table 1: Annual Gross Receipts Tax Years (2018 – 2023)

Year	2018	2019	2020	2021	2022	2023
Equity	N/A	N/A	\$21,141,465.27	\$35,974,745.13	\$37,803,609.10	\$37,609,413.12
General	N/A	N/A	\$152,193,969.69	\$235,610,581.28	\$207,113,784.78	\$163,441,215.46
Total Gross Receipts	\$171,546,992.15	\$165,351,380.15	\$173,335,434.96	\$271,585,326.41	\$244,917,393.88	\$201,050,628.58

Table 2: Cannabis Business Tax Revenue

Tax Year	Number of Business	Revenue
2023	266	\$5.64 million
2022	259	\$7.92 million
2021	187	\$13.47 million
2020	252	\$8.89 million
2019	195	\$12.85 million
2018	139	\$8.07 million
2017	85	\$7.48 million
2016	77	\$4.64 million
2015	70	\$3.61 million

Table 3: Equity vs. Non-Equity Businesses

Tax Year	Equity	Non-Equity	Total
2023	106	160	266
2022	107	152	259
2021	54	133	187
2020	78	174	252
2019	Not Tracking		

These financial reports suggest that Oakland's regulated cannabis industry has grown over the last five years, however, it hit its peak during the 2021 tax year/calendar year of 2020 and Oakland's equity businesses are generally much smaller than general applicant businesses.

iii. How Best to Utilize State Grants

In addition to monitoring the implementation of state grants already received, in 2022 the CRC offered recommendations on how to allocate the second grant received from the Go-Biz and what to request funding for as part of the City's Proposition 64 Cohort 3 Grant application. Specifically, the CRC approved utilizing Go-Biz funding to support the purchase of a property that support multiple equity applicants, grants for equity applicants' start-up and ongoing costs, workforce development and shared-use manufacturing programs. Likewise, the CRC recommended that the City request Proposition 64 Cohort 3 funds to improve the security of cannabis operators' business locations.

iv. Discouraging the Use of Diesel Generators

In 2022 the CRC also received public comment on the use of diesel generators by cannabis cultivators, particularly at two large warehouses referred to as the Oakland Cannery and Tinnery. These discussions paralleled enforcement efforts by the Bay Area Air Quality Management District, the Environmental Democracy

Project, and the Oakland Fire Department that led to the abatement of diesel generators at these and other properties.

v. Emerald New Deal Proposed Ballot Measure

During the first half of 2022 the CRC hosted three different presentations by proponents of the Emerald New Deal (END) proposed ballot measure. After the first presentation the CRC recommended that END work with stakeholders, particularly the cannabis industry and equity applicants. After the second presentation the CRC issued a qualified endorsement provided that the END provide information on how the END will support the Equity Program and work to lower cannabis tax rates. Ultimately, the City Council elected to not place on the END on the ballot for Oakland voters in November 2022.

V. 2023 CRC POLICY DISCUSSIONS

Below is an overview of topics the CRC discussed in 2023.

i. Preserving Live-Work Uses

In February 2023 the CRC adopted a motion to support the Oakland Cannery and other live-work properties at risk of displacement by cannabis uses. Subsequently, in July 2023 the City Council approved amending Oakland Municipal Code (OMC) 5.81 to prohibit the approval and/or permitting of commercial cannabis cultivation at properties with live-work uses.

ii. Lowering Barriers to State Licenses

In light of the sunset of provisional licensing at the state level, the CRC advocated for both local and state action. For instance, in January 2023 the CRC adopted a motion to support state Senate Bill (SB) 51, which extends the provisional licensing period for equity retailers. Subsequently, the Legislature passed and Governor Newsom signed SB 51 into law. Likewise, in February 2023 the CRC passed a motion for staff to amend the City's Cannabis Operator Regulations to allow operators to qualify for an annual license prior to obtaining final approvals from all City agencies, provided operators have entered into and are in compliance with a compliance plan. Afterwards, staff amended the City's Cannabis Operator Regulations to align with the CRC's vision.

iii. How Best to Utilize State Grants

Also in February 2023, the CRC reviewed and approved staff's proposed use of the latest grant from the Governor's Office of Business and Economic Development (Go-Biz) to support the City's Equity Program. Specifically, the CRC approved focusing funds on providing capital support to cannabis operators via grants and no-interest loans to cover start-up and ongoing costs.

iv. Next Phase of Equity Program

Later in 2023 the CRC weighed in on two topics that had been debated for multiple years at the CRC: whether and how to allow the City to forgive equity applicants' unpaid loans and transfer permits to general applicants. These topics required consideration of the Equity Program's intent as well as how to shape the program going forward. Ultimately, in October 2023 the CRC approved providing equity applicants with the options of transferring their permits to general applicants and converting unpaid loans into grants. Then in December 2023 the City Council approved the CRC's recommendations.

v. Encouraging Special Events

In October 2023 the CRC also passed a motion to increase the number of cannabis special event permits and approved the creation of cannabis cafes, cannabis retailers that sell non-alcoholic beverages and food. While Governor Newsom vetoed state legislation to allow cannabis cafes, in December 2023 the City Council approved removing the cap on the number of cannabis special event permits for a one-year pilot period.

vi. Upcoming Discussions

In addition to discussing the above topics, in 2023 the CRC agendaized future discussion regarding establishing a Department of Cannabis and reexamining what new zones cannabis businesses can potentially locate in.

VI. Conclusion and Next Steps

The CRC is grateful for the opportunity to share with the City Council its 2022-2023 annual reports. The above recommendations and information will assist the City's cannabis program in continuing to evolve in an equitable and responsible manner.

Respectfully submitted,

Chaney Turner

Chair
Cannabis Regulatory Commission

Tiffany L. Smith
Tiffany L. Smith (May 1, 2024 12:31 PDT)

Vice-Chair
Cannabis Regulatory Commission

Signature:

Chaney Turner

Email:



Cannabis Regulatory Commission

TO: Cannabis Regulatory Commission

FROM: Kat Torio
Economic and Workforce
Development Department

SUBJECT: February 6, 2025 Agenda Items

DATE: January 31, 2025

ITEM C (1) T Form 700 Filers Presentation by the Office of The City Clerk

To inform and increase Board and Commission member compliance with the timely filing of Statement of Economic Interest (Form 700), the Office of The City Clerk provide a brief yet informative presentation regarding Form 700: including who is required to file; when To File; how to file, and the ramifications and fees associated with not filing.

ITEM C (2) Request for CRC's Annual Report to the City Council

Measure Z requires that the CRC provide an annual report to the City Council on the CRC's activities. Last years report is included in the agenda packet.

ITEM C (3) Case 4 Cannabis (C4C) Update

The City of Oakland's budget challenges stipulated the need to reprioritize General Fund expenditures, the Director of EWDD made the difficult decision to end the contract early but our division is hopeful funding will come available in the future to reinstate our support of the program.

ITEM C (4) Subcommittee & Dept. of Cannabis

Commissioners expressed a need to create a Department of Cannabis within the City of Oakland which would be a priority for the subcommittee. It will be important for the subcommittee to ensure they do not amount to a quorum of the CRC to avoid Brown Act compliance issues.

ITEM C (5) Implementation Update on State Grants

Oakland's pioneering race and equity analysis of the cannabis industry and creation of an Equity Program inspired jurisdictions across the country to pursue and support similar programs. Then starting in 2019 the State of California set aside annual grant funding to support local jurisdictions' cannabis equity programs. **Table A** outlines the amount of funding the City has received from the State of California for its Equity Program, Oakland's ranking among local jurisdictions each year, and the total amount of funding set aside by the State of California that year.

Table A: Oakland's Receipt of Local Equity Grant Funding

State Funding Agency	Fiscal Year (FY)	STATUS OF GRANT	Amount of Funding Received	Oakland's Ranking Among Local Jurisdictions	Total Amount of Funding Available Statewide
BCC ¹	FY 2019-2020	CLOSED	\$1,657,201.65	2nd	\$10 million
Go-Biz	FY 2019-2020	CLOSED	\$6,576,705.76	1st	\$30 million
Go-Biz	FY 2020-2021	CLOSED	\$2,434,712.51	1st	\$15 million
Go-Biz	FY 2021-2022	CLOSED	\$5,435,140.82	2nd	\$35 million
Go-Biz	FY 2022-2023	CLOSED	\$1,996,487.50	1st	\$15 million
Go-Biz	FY 2023-2024	ACTIVE	\$3,000,000.00	1st	\$15 million

¹ Initially the Bureau of Cannabis Control, the predecessor to the Department of Cannabis Control, disbursed Local Equity Grant funding.

In addition to Go-Biz grants, in 2022 the City of Oakland received a three-year \$9,905,020 Local Jurisdiction Assistance Grant (LJAG) from the Department of Cannabis Control (DCC) to support the transition of cannabis operators from a provisional to an annual state license. Unfortunately, the DCC has denied the City's request to repurpose unspent funding on City staff towards grants to operators to bring their buildings into compliance, which makes it unlikely the City will disburse all funding.

Finally, in 2021 and 2023 the City received grants from the Board of State and Community Corrections (BSCC) to address the impacts of cannabis legalization. **Figures 1-3** provide status updates on these various state grants. The 3-year grant received in 2021 has since closed in October 2024.

Figure 1- Local Jurisdiction Assistance Grant (2022-2025)

	BUDGETED	REVISED BUDGET	DISBURSED	BALANCE
SECTION A				
SAP Tech	500,430.00	500,430.00	112,919.81	387,510.19
CEQA Review	27,710.00	27,710.00	-	27,710.00
Program Analyst	595,920.00	595,920.00	403,490.51	192,429.49
Process Coordinator	527,088.00	-		-
OT Civil Engineers	1,773,224.00	442,761.25	52,333.71	390,427.54
OT Code Enforcement	234,347.00	442,761.25	37,084.25	405,677.00
Hazardous Materials	580,638.00	-	-	-
OT Fire Plan Review	221,280.00	442,761.25	-	442,761.25
OT Fire Code Enforc.	185,472.00	442,761.25	10,638.87	432,122.38
OT SAP Inspectors	150,000.00	150,000.00	91,296.76	58,703.24
SUB-TOTALS	4,796,109.00	3,045,105.00	707,763.91	2,337,341.09
SECTION B				
Equity Grants	1,722,655.50	1,722,655.50	1,515,000.00	207,655.50
CPTED	3,600.00	3,600.00	921.00	2,679.00
Accela	430,000.00	200,000.00	99,763.75	100,236.25
Grants - Security	1,722,655.50	1,722,655.50	1,457,737.39	264,918.11
4Front	480,000.00	480,000.00	479,999.39	0.61
Knox & Ross	375,000.00	375,000.00	368,125.00	6,875.00
Oaksterdam	375,000.00	375,000.00	308,234.00	66,766.00
MT			79,589.00	
CPS Consulting			6,038.75	
NWN Corp			5,438.11	
SUB-TOTALS	5,108,911.00	4,878,911.00	4,320,846.39	558,064.61
GRAND TOTALS	9,905,020.00	7,924,016.00	5,028,610.30	2,895,405.70

Figure 2 – Proposition 64 Cohort three (2023-2028)

USES	YEAR 1 FY 23-24	DISBURSED	BALANCE	YEAR 2 FY24-25	YEAR 3 FY25-26	YEAR 4 FY26-27	YEAR 5 FY27-28	TOTALS
Half of Program Analyst III	-	-	-	100,000	105,000	110,000	115,000	430,000
Equity Public Awareness Consultant	45,000.00	-	45,000.00	45,000	45,000	45,000	45,000	225,000
3rd Party Evaluator	-	-	-	20,000	20,000	20,000	20,000	80,000
Grants to Secure Facilities	-	-	-	-	200,000	200,000	200,000	600,000
Grants for Support Onsite Security	332,000.00	165,999.96	166,000.04	332,000	332,000	332,000	332,000	1,660,000
RFP Advertising	5,000.00	3,291.08	1,708.92	-	-	-	-	5,000
TOTALS:	382,000.00	169,291.04	212,708.96	497,000	702,000	707,000	712,000	3,000,000

Figure 3: 2024-2025 Go-Biz (GO-Biz 5) Grant Funds

	CATEGORY ALLOCATED	DISBURSED	BALANCE
Grants	\$3,000,000	\$1,499,631.00	\$1,500,369

ITEM F (1) Update on Cannabis Permitting Process

Below please find cannabis permitting statistics from 2017 to present day for the CRC's review, including additional categories as well as application and permit trend graphs.

Figure F-1: Application Totals

<i>APPLICATIONS</i>	TOTALS	PENDING
Total Complete & Incomplete Applications	1076	144
Total Complete Applications	1076	
Complete General Applications	290	
Equity Applications based on residency	191	
Equity Applications based on conviction	21	
Incubators	138	
Interested in Incubating	0	
Complete Application with property	502	
Complete Application without property (Equity)	212	
Complete Applicants without property (General)	290	

Figure F-2: Permit Applications by Category

COMPLETED APPLICATIONS BY BUSINESS TYPE (Address Only)	GENERAL	EQUITY
Delivery	57	65
Cultivator (Indoor)	129	24
Cultivator (Outdoor)	3	2
Distributor	59	63
Mfg. Volatile	16	2
Mfg. Non-Volatile	27	55
Transporter	4	2
Lab Testing	0	0
GRAND TOTALS	295	213

Applications by Business Type (No Address)	GENERAL	EQUITY
Delivery	26	113
Cultivator	34	108
Distributor	17	107
Mfg. Volatile	7	33
Mfg. NV	18	75
Transporter	1	26
Lab Testing	0	9
GRAND TOTALS	103	471

Figure F-3: Operators Issued Provisional and Annual Licenses

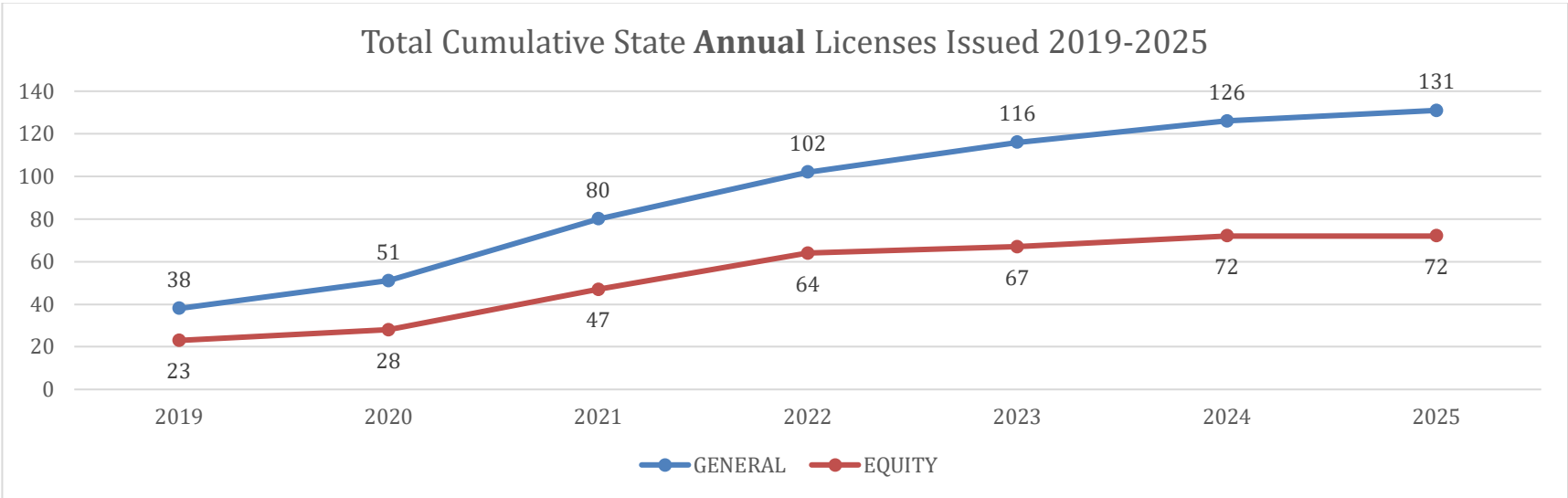
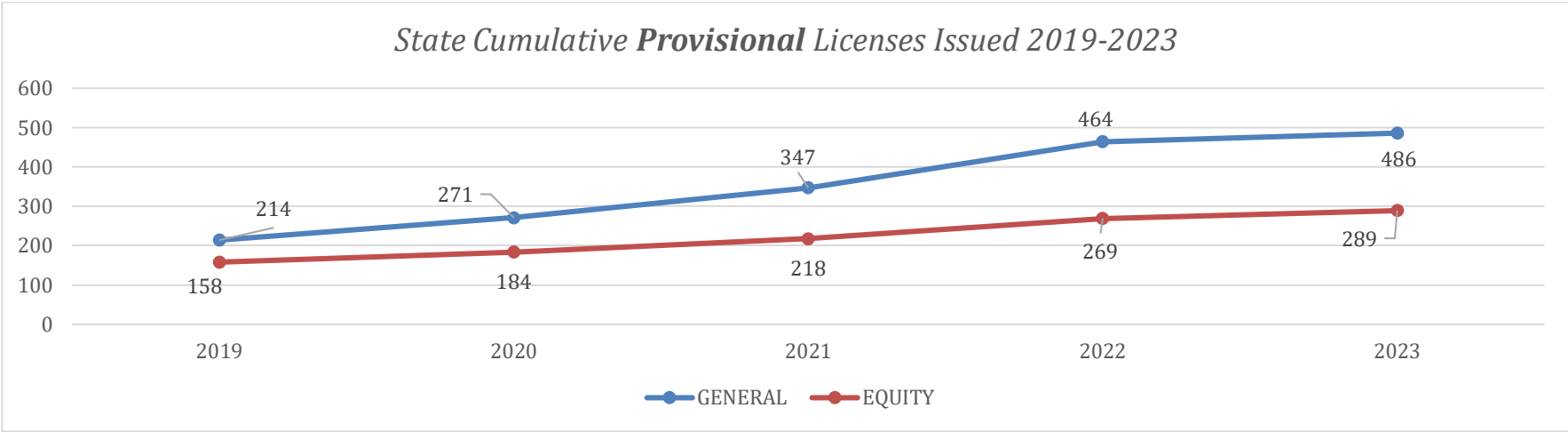


Figure F-4: New Permits Issued to Cannabis Operators Since Spring of 2017 by Category²

	GENERAL	INCUBATOR	EQUITY	TOTAL
<i>NEW ANNUAL PERMITS BY BUSINESS TYPE</i>				
On-site Consumption	4		3	7
Dispensary	9	1	9	19
Delivery	69	18	88	175
Cultivator (Indoor)	7	6	19	32
Cultivator (Outdoor)	0	0	2	2
Distributor	28	27	59	114
Mfg. Volatile	3	5	1	9
Mfg. Non-Volatile	9	11	42	62
Transporter	2	0	5	7
Lab Testing	0	0	0	0
GRAND TOTALS	131	68	228	427

² Figure F-4 includes dispensaries that were permitted before 2017 and have renewed their permits since 2017

Figure F-6: Graph of Current Active Applications with an Address:

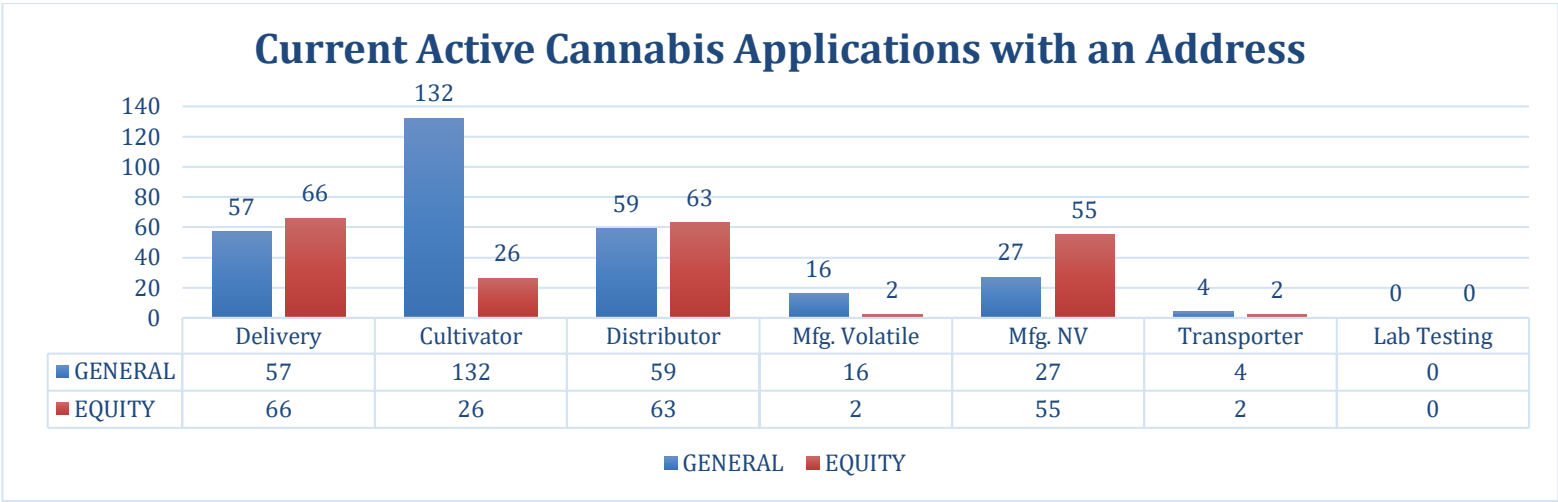
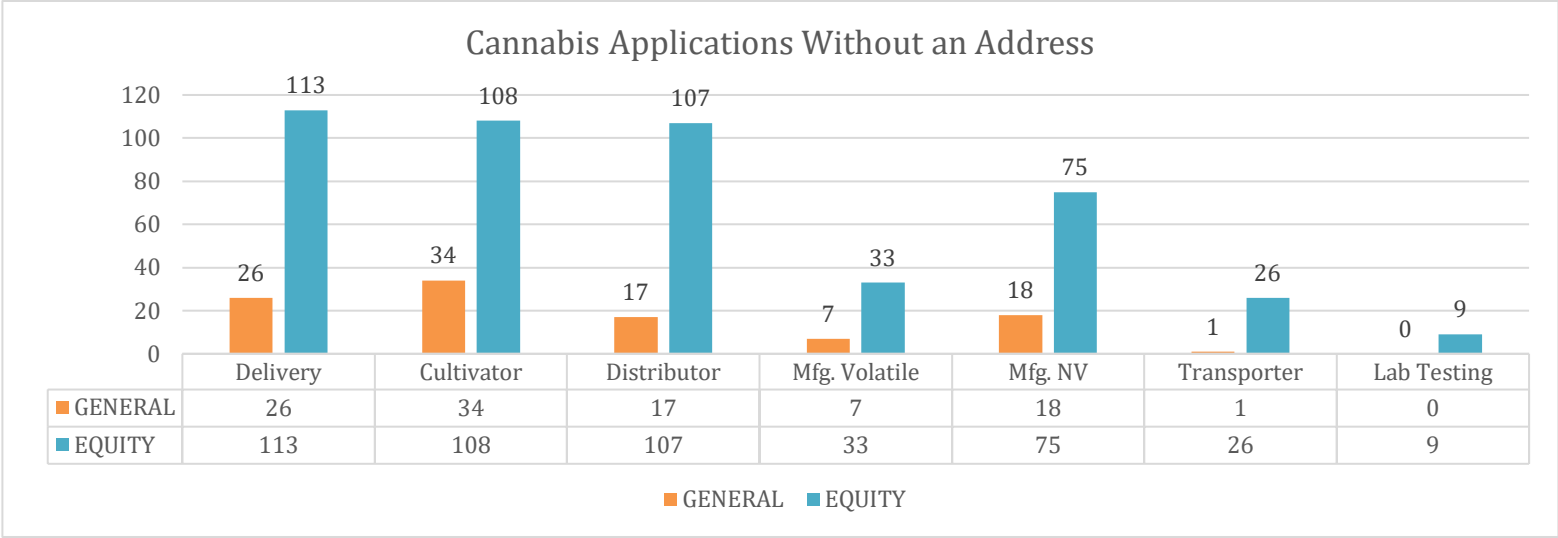


Figure F-7: Graph of Cannabis Applications Without an Address:



5.80.025 Onsite consumption permit.

- A. A dispensary must obtain a secondary onsite consumption permit in order for cannabis to be consumed on the premises of the dispensary.
- B. An onsite consumption permit may be issued at the discretion of the City Administrator to a permitted dispensary based on the operating history and business practices of the applicant, and/or any other factors that are deemed necessary to promote the peace, order and welfare of the public. An application for an onsite consumption permit may be denied for failure to meet requirements of the City Building Code, City Fire Code, City Planning Code, this Chapter, and/or any violation of State or local law relevant to the operation of dispensaries.
- C. The City Administrator shall establish conditions of approval for each onsite consumption permit, including, but not limited to, a parking plan, ventilation plan, anti-drugged driving plan, and set hours of operation. Set hours of operation may only be adjusted by submitting a written request to and obtaining approval from the City Administrator's Office.
- D. The permit shall be subject to suspension or revocation in accordance with Section 5.80.070, and the owner/operator shall be liable for excessive police costs related to enforcement.
- E. The application fee and annual fee for the onsite consumption permit shall be specified in the City's Master Fee Schedule.
- F. All onsite consumption permits shall be special business permits and shall be issued for a term of one (1) year. No property interest, vested right, or entitlement to receive a future license to operate a cannabis business shall ever inure to the benefit of such permit holder as such permits are revocable at any time with or without cause by the City Administrator subject to Section 5.80.070.

(Ord. No. 13798, § 2, 6-18-2024; Ord. 13464, § 3, 11-28-2017; Ord. No. 13424, § 3, 3-28-2017; Ord. No. 13370, § 3, 5-17-2016)

Here is information recently shared to satisfy a media request concerning cannabis cafes.

- What's next for the City of Oakland regarding Cannabis Cafes?

Our office is aware and excited about opportunities for cannabis business in Oakland to expand their services through AB 1775. Cannabis cafes may be permitted in approved dispensaries with an active onsite consumption permit (vape only, combustion is not approved), in accordance with County regulations for food preparation, service, and sales and in accordance with The City's entertainment venue permit criteria and noise ordinance.

- Is there now a separate application process to get a permit for a cannabis cafe?

We do not have a separate permit process for cannabis cafes. Applicants apply to become a dispensary and then can apply to add onsite consumption to their dispensary.

- What are the rules in Oakland for this kind of lounge to open?

An active dispensary with onsite consumption is subject to regulations listed in OMC 5.80.025 and in addition will need to be in adherence with County regulations for food preparation, service and sales, such as acquiring a valid health permit and any other applicable permits required by the Health Department and the City's Fire Prevention Bureau for any open flame or related equipment such as but not limited to, large generators or fryers. For the entertainment portion of the activity, if there is an entrance fee charged the business will need to apply for an annual entertainment venue permit. All entertainment is subject to adherence to the City's noise ordinance.

- How many cannabis cafes are in line for a permit in Oakland?

The City has 4 permitted onsite consumption lounges that would be eligible to incorporate the newly approved activity. None of the eligible dispensaries have applied for an entertainment venue permit or solicited information regarding adjusting their activity in response to AB 1775.

- How many can the city give out?

The City currently does not have a cap on how many dispensaries with onsite consumptions lounges can be approved. Currently there are 12 open dispensaries and 4 of those have on-site consumption permits.

- Is there a limit to the number of cannabis cafes in the city?

No limit has been identified as of yet.

- What else can you tell me about the opening of Cannabis Cafes in Oakland?

Our office is at the beginning stages of understanding the impact of AB 1775 and will work with the City Administrator and our Council Members to ensure safe and equitable implementation of cannabis cafes in Oakland.