

Cannabis Regulatory Commission

Regular Meeting

Thursday, December 5, 2019, 6:30 pm
Council Chambers, City Hall, One Frank H. Ogawa Plaza

MINUTES

Members:

Lanese Martin	District 1	Frank Tucker	District 7
Chang Yi	District 2	Vacant	At Large
Zachary Knox	District 3	Stephanie Floyd-Johnson	Mayor
Debby Goldsberry	District 4	Vacant	City Auditor
Claudia Mercado	District 5	Greg Minor	City Administrator
Joshua Chase	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: Martin, Yi, Knox, Goldsberry, Mercado, Chase, Tucker, Floyd-Johnson, Minor
Absent: None

B. Open Forum / Public Comment

There were no public comments.

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

- *Information on private use of cannabis (since May 2019)*
- *Potential forum/event (since August 2019)*
- *Information on security inspections, trends in crimes against cannabis businesses, security best practices (since October 2019)*
 1. *Cancelling or Rescheduling January 2, 2020 CRC meeting*

Member Martin made a motion to agendize cannabis events on next month's agenda. Member Tucker seconded the motion and it passed by consensus.

Vice-Chair Knox clarified the pending list item re security items that OPD discuss how they are conducting security inspections and if there are common trends leading to crimes against cannabis businesses. Vice-Chair Knox then asked for staff to coordinate with OPD on returning to the CRC re this item on a date OPD is available.

After polling members' availability for the January 2, 2020 meeting, members resolved to keep this date.

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.

D. Approval of the Draft Minutes from the CRC meetings of October and November 2019.

Vice-Chair Knox made a motion to approve the minutes as drafted; Floyd-Johnson seconded the motion and it was approved by consensus with Members Goldsberry and Minor abstaining.

E. Reports for Discussion and Possible Action

1. Use of SB 1294 California Cannabis Equity Act of 2018 Grant Funding

Member Minor provided an overview of the anticipated timeline for receiving public input, presenting a recommendation to the City Council and receiving state grant funds. Member Minor also presented the results received thus far from a survey of equity applicants re use of SB 1294 funds.

Public speakers supported the ideas of using SB 1294 funding towards grants, assistance networking amongst operators, commercial kitchens, support marketing, and technical assistance.

Vice-Chair Knox expressed concerns regarding excessive expectations around grants to equity applicants given the limited funding available and recommended narrowing use of grants to things like state licensing costs, taxes, and product testing. Vice-Chair Knox also mentioned that the survey results are skewed towards delivery and distributors since they replied more than other business types. Member Goldsberry encouraged using state funds on a commercial kitchen. Member Martin highlighted two tension re use of funds: funding existing vs. new operators and funding business ownership vs. workforce programming. Member Martin supported focusing on manufacturing and workforce opportunities. Member Tucker inquired about whether state grant funding can be used on City staff.

Member Tucker made a motion to formally request that the workforce development board add advancing the cannabis industry in Oakland to their agenda. Vice-Chair Knox seconded the motion.

2. Updated Equity Program Assessment

Member Martin commented that information on the equity program has been too focused on permitting statistics, there has not been any analysis re general applicants, and recommended formed a subcommittee to explore this topic further. Member Mercado concurred that more conversations are needed with operators and the reality of general and equity applicants going out of business.

Member Martin made a motion to form an ad hoc committee to make recommendations on an updated equity program assessment and the format of permitting statistics. Chair Yi seconded the motion.

Public comment centered on incubator compliance issues and challenges in using state seed to sale software.

Member Martin's motion passed by consensus and Members Martin, Floyd-Johnson and Vice-Chair Knox volunteered for the ad hoc committee.

3. Format of Permitting Statistics

4. Transfer of Cannabis Permits

Chair Yi noted that this item has been on the agenda for a while. Member Minor provide some background on the topic. Chair Yi commented that current policy is too restrictive for equity applicants, particularly in the case of equity applicants passing away. Vice-Chair Knox highlighted three complicating factors: increasing transferability of equity applicant permits will likely decrease overall diversity in cannabis business ownership; incubation relationships could be impacted; and outstanding loans would need to be addressed. Member

Martin questioned whether diversity in business ownership was a good goal vs. increasing economic development for those impacted by war on drugs. Member Mercado asked at what point should an equity applicant be allowed to move away from their business.

Member Tucker mentioned his familiarity with similar programs in other contexts and that in those programs after a certain period operators are expected to graduate out. Member Tucker added that allowing transferability after a specified time-period would both allow equity operators the same opportunities as other operators and discourage abuse of the equity program through strawman situations. Member Tucker then identified three years as an appropriate point in time given the three-year incubation period. Chair Yi pointed out that at the three-year point equity applicants may need to change locations and permits are tied to a location, but three years is enough time for a company to gain value.

Member Tucker moved for revising the rules around transferability of permits to allow for equity applicants to transfer permits to non-equity qualifying permit holders after three years. Chair Yi seconded the motion.

Public speakers spoke regarding challenges transitioning from current location to another after three years, whether more debate on this issue is needed or whether to move forward with current proposal.

Member Tucker's motion passed by consensus with Members Mercado and Minor abstaining.

F. Announcements

1. Second Reading of Ordinance to Lower Tax for Cannabis Businesses on Tuesday December 10th
2. Cannabis Dispensary Permit Applications Available Through February 27, 2020 at <https://www.oaklandca.gov/services/cannabis-dispensary-applications>
3. Update on Cannabis Permitting Process

G. Adjournment