

Cannabis Regulatory Commission

Special Meeting

Thursday, November 15, 2018

Council Chambers, City Hall, One Frank H. Ogawa Plaza

AGENDA

Members:

| | | | |
|-----------------|------------|-------------------------|--------------------|
| Lanese Martin | District 1 | Frank Tucker | District 7 |
| Chang Yi | District 2 | A. Kathryn Parker | At Large |
| Zach Knox | District 3 | Stephanie Floyd-Johnson | Mayor |
| Jin Jack Shim | District 4 | Vacant | City Auditor |
| Matt Hummel | District 5 | Greg Minor | City Administrator |
| Derreck Johnson | District 6 | | |

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

MEETING AGENDA

Roll Call and Determination of Quorum

B. Open Forum / Public Comment

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

- *Use of cannabis tax revenues (since July 2017)*
- *Annual report (since September 2017)*
- *Onsite consumption/lounges (since October 2017)*
- *OPD updated training bulletin (since March 2018)*

D. Approval of the Draft Minutes from the Cannabis Regulatory Commission meeting of September 2018.

E. Reports for Discussion and Possible Action

1. CRC's 2016-2018 Annual Report
2. Extension of Equity Program's Permit Restrictions
3. Space Provided Equity Applicants Under Incubator Program

F. Announcements

1. Update on Cannabis Permitting Process.
2. Launch of Revolving Loan Program.
3. Opening of First Equity-Owned Dispensary, Blunts and Moore at 701 66th Avenue

G. Adjournment

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.

Cannabis Regulatory Commission

Regular Meeting

Thursday, October 4th, 2018 6:30 p.m.
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 |
| Zach Knox | District 3 | Stephanie Floyd- Johnson | Mayor |
| Jin Jack Shim | District 4 | Vacant | City Auditor |
| Matt Hummel | District 5 | Greg Minor | City Administrator |
| Derreck Johnson | District 6 | | |

Available on-line at: <http://www.oaklandnet.com/measurez>

MEETING AGENDA

A. Roll Call and Determination of Quorum

Present: Martin (by phone), Yi, Knox, Shim, Hummel, Johnson, Tucker, Floyd-Johnson, and Minor
Absent: None

B. Open Forum / Public Comment

Numerous public speakers expressed concern regarding the cannabis ordinances' equity permit restrictions sunseting once the revolving loan program is implemented.

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

- *Use of cannabis tax revenues (since July 2017)*
- *Annual report (since September 2017)*
- *Onsite consumption/lounges (since October 2017)*
- *OPD updated training bulletin (since March 2018)*

Member Hummel recommended adding the extension of the equity permit restrictions to next month's agenda. Member Tucker asked for a report on the incubator program for next month's agenda as well.

Re CRC's annual report, Member Minor mentioned that he and Member Hummel had reviewed the past three years CRC minutes and Member Minor offered to bring a chart of 2016-2018 CRC, City Council and State Cannabis actions for the CRC to review at next meeting.

D. Approval of the Draft Minutes from the Cannabis Regulatory Commission meeting of September 2018.

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.

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Member Floyd-Johnson moved to approve the minutes as drafted; Member Shim seconded the motion and it passed by consensus.

E. Reports for Discussion and Possible Action

1. Election of Chairperson and Vice Chairperson.

Member Hummel moved to appoint Member Yi as the new Chairperson and Member Shim as Vice Chairperson. Member Shim amended this motion to recommend Member Knox as Vice Chairperson; Member Hummel accepted this amendment and the motion passed by consensus.

2. Disposal of Cannabis Waste.

Peter Slote from Oakland Public Works, Jeff Cox from Waste Management, and Bill Pollack from Alameda County Household Hazardous Waste offered their insight on cannabis waste disposal issues. Bill Pollack mentioned that Alameda County Household Hazardous Waste has a small business component and while they cannot accept controlled substances they can accept other materials, such as batteries, pesticides, and solvents.

Member Yi expressed a desire to revisit this topic, specifically with regards to packaging, after the Bureau of Cannabis Control finalizes their regulations on waste later this year.

3. SB 1294, California Cannabis Equity Act.

Members Yi and Minor provide background on the recently passed legislation and how it is an opportunity for the City of Oakland to seek funds to further its equity programs.

Members of the public expressed equity applicants' need for funds to cover the costs of bringing spaces into compliance, state licensing, and track and trace programs. Others emphasized the need for someone to ensure the incubation program is operating as intended.

Member Shim made a motion for the City to apply for the maximum amount available under the SB 1294; Member Hummel seconded the motion and it passed by consensus.

4. Space Provided Equity Applicants Under Incubator Program

Member Hummel outlined the need for clarifying what space should qualify as legitimate space to operate an equity applicant's business in light of equity applicants being provided insufficient and inappropriate space under the auspices of the incubator program.

Members of the public also emphasized the importance of incubators providing sufficient security.

Member Hummel made a motion for staff to present the CRC with draft regulations that clarify what space and security is sufficient to satisfy the equity program. Member Knox seconded the motion and it passed by consensus.

F. Announcements

1. Update on Cannabis Permitting Process.
2. Passage of AB 2020, Cannabis Temporary Events

Member Hummel mentioned that Governor Brown vetoed the state bill re compassion programs, but Gubernatorial candidate Gavin Newsom will approve such a measure if elected.

G. Adjournment

CANNABIS REGULATORY COMMISSION
ITEM E-1

DRAFT CANNABIS REGULATORY COMMISSION 2016-2018 ANNUAL REPORT SUMMARY

| | 2016 | 2017 | 2018 |
|---|---|---|--|
| State Actions | <ul style="list-style-type: none"> California Voters Pass the Adult Use of Marijuana Act (AUMA) or Proposition 64 | <ul style="list-style-type: none"> State Legislature Consolidates Medical Cannabis and Regulation Act (MCRSA) with AUMA via Medical and Adult Use of Cannabis Regulation and Safety Act (MAUCRSA) State Agencies Release Initial Regulations | <ul style="list-style-type: none"> State Agencies Introduce Updated Regulations and Propose Further Regulations The Legislature Considers and Passes Numerous Cannabis Related Bills |
| City Council/City Administration Actions | <ul style="list-style-type: none"> City Council Enacts Initial Equity Program and OMC Updates City Council Considers Various Proposals to Amend Initial Equity Program City Council Directs the City Administration to Conduct a Race and Equity Analysis of the Different Proposals | <ul style="list-style-type: none"> City Administration Presents Race and Equity Analysis City Council Enacts Revised Equity Permit Program City Council Funds Technical and Financial Assistance via Incoming New Cannabis Tax Revenue City Council Further Amends OMC to Incorporate Adult Use and Temporary State License Process Applications for Non-Dispensary Permits Become Available Applications for 8 New Dispensary Permits Accepted | <ul style="list-style-type: none"> Eight New Dispensary Operators Selected City Council Amends OMC 5.80 and 5.81 to Protect Work-Live and Residential Premises City Council Passes Clean-Up Amendments City Council Places Ballot Measure re Cannabis Tax Policy Before Oakland Voters |
| CRC Recommendations Adopted by State, City Council, or City Administration | <ul style="list-style-type: none"> Passage of Proposition 64 Expand Equity Qualifying Police Beats Expand Size of Personal Cultivation Allow Onsite Consumption at Dispensaries | <ul style="list-style-type: none"> Establish a Permitting Process for Cannabis Events Allow for Shared Space | <ul style="list-style-type: none"> Protect Live-Work and Residential Premises |

DRAFT CANNABIS REGULATORY COMMISSION 2016-2018 ANNUAL REPORT SUMMARY

| | 2016 | 2017 | 2018 |
|--|---|--|--|
| <p>CRC Recommendations Not Yet Adopted by State, City Council, or City Administration</p> | <ul style="list-style-type: none"> • Cannabis Job Training • Clarify Legal Paths for Discarding Cannabis Waste • Improve Banking Access for Cannabis Businesses • Expedite Building and Fire Permitting • Less Criminal Enforcement of Cannabis Offenses and Less Disparate Enforcement Outcomes by Race | <ul style="list-style-type: none"> • Formalize CRC's advisory role for all City cannabis matters • Expand the Areas Where Cannabis Activity is Allowed | <ul style="list-style-type: none"> • Formalize CRC's Role re Oversight of Spending of Cannabis Revenues Received • Eliminate Taxes for Compassion Programs |
| | | <ul style="list-style-type: none"> • Remove Limit on the Number of Dispensary Permits | <ul style="list-style-type: none"> • Establish Oakland is a Sanctuary City Policy for Cannabis |

CANNABIS REGULATORY COMMISSION
ITEM E-3

PROPOSED UPDATE TO CANNABIS OPERATOR REGULATIONS

Equity Permit Program

32. 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.

33. General Applicants that the City approved as incubators 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, regardless of whether the Initial Permitting Phase has expired. This three-year period commences when the equity applicant obtains access to the space for operating its business.

34. To preserve a General Applicant's incubator status, the Equity applicant being incubated needs to be operating an active cannabis business.

35. The space provided to equity applicants under the incubator program must serve the equity applicant's business operations and be sufficient for the equity applicant to successfully conduct a cannabis business. Examples of acceptable space include space for storage of cannabis products, space for manufacturing or cultivation of cannabis and cannabis products, and space for vehicles used to transport cannabis products. Examples of unacceptable space include restrooms, closet space, and parking for vehicles not required for transport of cannabis products.

36. Equity applicant ownership must satisfy the definition of "ownership" under OMC Section 5.80 and 5.81 such that the equity qualifying individuals maintain control over at least half of the cannabis operation.

CANNABIS REGULATORY COMMISSION
ITEM F-1

| | TOTALS | PENDING | GRAND TOTAL |
|--|--------|---------|-------------|
| Total Complete & Incomplete Applications | 1150 | 62 | 1212 |
| Total Complete Applications | 1150 | | |
| Complete General Applications | 491 | | |
| Equity Applications based on residency | 570 | | |
| Equity Applications based on conviction | 89 | | |
| Incubators | 226 | | |
| Interested in Incubating | 47 | | |
| Complete Application with property | 813 | | |
| Complete Application without property (Equity) | 289 | | |
| Complete Applicants without property (General) | 48 | | |
| | 1150 | | |

| COMPLETED APPLICATIONS BY BUSINESS TYPE | GENERAL | INCUBATOR* | INTERESTED IN INCUBATING* | EQUITY |
|--|------------|------------|---------------------------|------------|
| Delivery | 112 | 38 | 6 | 170 |
| Cultivator (Indoor) | 119 | 50 | 23 | 107 |
| Cultivator (Outdoor) | 4 | 2 | | 30 |
| Distributor | 109 | 58 | 9 | 165 |
| Mfg. Volatile | 58 | 31 | 2 | 41 |
| Mfg. Non-Volatile | 80 | 41 | 7 | 101 |
| Transporter | 6 | 4 | 0 | 31 |
| Lab Testing | 3 | 2 | 0 | 14 |
| GRAND TOTALS | 491 | 226 | 47 | 659 |

*These numbers are part of the General Total

10/31/2018

11/12/2018

TEMPORARY STATE LICENSES APPROVED

| | Delivery | Distribution | Cultivation | Lab Testing | Mfg. V | Mfg. NV | |
|----------------|-----------|--------------|-------------|-------------|-----------|-----------|------------|
| EQUITY | 69 | 65 | 25 | 3 | 8 | 34 | 204 |
| INCUBATORS | 22 | 50 | 37 | 2 | 22 | 35 | 168 |
| GENERALS | 7 | 0 | 1 | 0 | 0 | 4 | 12 |
| TOTALS: | 98 | 115 | 63 | 5 | 30 | 73 | 384 |

11/8/2018