

Cannabis Regulatory Commission

Regular Meeting

Thursday, October 4th, 6:30 p.m.
Council Chambers, City Hall, One Frank H. Ogawa Plaza

AGENDA

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
- 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. Election of Chairperson and Vice Chairperson.
 - 2. Disposal of Cannabis Waste.
 - 3. SB 1294, California Cannabis Equity Act.
 - 4. Space Provided Equity Applicants Under Incubator Program
- F. Announcements
 - 1. Update on Cannabis Permitting Process.
 - 2. Passage of AB 2020, Cannabis Temporary Events
- 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) 238-3301.

Cannabis Regulatory Commission

Regular Meeting

Thursday, September 6th, 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	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: <http://www.oaklandnet.com/measurez>

MEETING AGENDA

A. Roll Call and Determination of Quorum

Present: Knox, Shim, Johnson, Tucker, Floyd-Johnson, and Minor

Absent: Martin, Yi, and Hummel

1. Appointment of *Chair Pro Tem*

Member Shim moved to appoint Member Knox as the Chair Pro Tem. Member Floyd-Johnson seconded the motion and it passed by consensus.

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)*
- *Disposal of cannabis waste (since July 2018)*

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

Member Tucker moved to approve the minutes, Member Shim seconded the motion and it passed by consensus.

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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E. Reports for Discussion and Possible Action

1. Extending Dispensary Hours of Operation.

Approximately six speakers spoke in favor of extending dispensary operating hours. Speakers emphasized that this would assist their customers who often visit dispensaries on their way to work or after they leave work. Speakers also claimed extended hours would lead to increased City tax revenue, more wages for workers and help Oakland dispensaries compete with dispensaries in other jurisdictions as well as delivery services.

Member Tucker inquired with staff as to the origin of Oakland's restrictions on dispensary operating hours and Member Minor provided background.

Member Tucker moved for the City Administration to amend its regulations to extend dispensary operating hours to 10pm, Member Shim seconded the motion. Member Knox offered an amendment to the motion for the City to align with state restrictions on dispensary operating hours; Member Tucker accepted the amendment and the motion passed by consensus.

2. Holding Cannabis and Alcohol Licenses.

Member Minor offered context behind the City of Oakland's cannabis ordinance's restrictions on the holding of alcohol and cannabis licensing as compared to state ABC restrictions.

Member Tucker moved to recommend that the City Council modify the City's cannabis ordinances to allow for an entity or individual to hold both an ABC and a dispensary license if they were located at separate locations per the ABC FAQ. Member Shim seconded the motion and it passed by consensus.

F. Announcements

1. Update on Cannabis Permitting Process.

Member Minor provided an update on application and permit statistics as well as the forthcoming revolving loan program.

2. Annual State Licensing Approval Process.

Member Minor announced that he is working with other city departments on potentially developing a standard for approving annual licenses for operators that were moving forward in good faith but have not yet fully completed the local permitting process.

G. Adjournment

**CANNABIS REGULATORY
COMMISSION
ITEM E (1)**

**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.

**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, 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

**CANNABIS REGULATORY
COMMISSION
ITEM E (2)**

**BUREAU OF CANNABIS CONTROL
TEXT OF REGULATIONS**

**CALIFORNIA CODE OF REGULATIONS
TITLE 16
DIVISION 42. BUREAU OF CANNABIS CONTROL**

Chapter 1. ALL BUREAU LICENSEES

Article 1. Division Definitions

§ 5000. Definitions

For the purposes of this division, the definitions in this section shall govern the construction of this division unless otherwise indicated.

- (a) “Act” means the Medicinal and Adult-Use Cannabis Regulation and Safety Act.
- (b) “Bureau” means the Bureau of Cannabis Control, previously named the Bureau of Marijuana Control, Bureau of Medical Cannabis Regulation, and Bureau of Medical Marijuana Regulation.
- (c) “Cannabis goods” means cannabis, including dried flower, and products containing cannabis.
- (d) “Cannabis waste” means waste that is not hazardous waste, as defined in Public Resources Code section 40141, and is organic waste, as defined in Public Resources Code section 42649.8, subdivision (c), that contains cannabis and that has been made unusable and unrecognizable in the manner prescribed in sections 5054 and 5055 of this division.
- (e) “Canopy” means the designated area(s) at a licensed premises that will contain mature plants at any point in time.
- (f) “Delivery employee” means an individual employed by a retailer who delivers cannabis goods from the retailer premises to a customer at a physical address.
- (g) “Free cannabis goods” means any amount of cannabis goods provided to any person without cost or payment or exchange of any other thing of value.
- (h) “Limited-access area” means an area in which cannabis goods are stored or held and is only accessible to a licensee and its employees and contractors.
- (i) “Lot number” or “batch number” means a distinctive group of numbers, letters, or symbols or any combination of these that is unique to a group of cannabis goods.
- (j) “Medicinal cannabis patient” includes a qualified patient as defined in Health and Safety Code section 11362.7 and a person in possession of a valid identification card issued under Health and Safety Code section 11362.71.

(ii) A description of the applicant's video surveillance system, including camera placement and procedures for the maintenance of video surveillance equipment.

(iii) How the applicant will ensure that all access points to the premises will be secured, including the use of security personnel.

(iv) A description of the applicant's security alarm system.

(E) Cannabis Waste Procedures

(i) The applicant's procedure for disposing of cannabis waste, including whether the applicant will be using a local agency or waste hauler permitted by a local agency or self-hauling the waste to a solid waste facility. If the applicant will be using a local agency or waste hauler permitted by a local agency, the applicant shall include the information required under section 5055(e)(1).

(ii) The applicant's procedure for composting cannabis waste on the licensed premises, if applicable.

(iii) How the applicant will ensure that all access to cannabis waste is restricted to the licensee and its employees, and the local agency or waste hauler franchised, contracted, or permitted by a local agency.

(F) Delivery Procedures

(i) The applicant's procedures for accepting orders and processing orders.

(ii) The applicant's procedures for confirming the age and identity of the customer receiving the delivery and verifying that the address for delivery meets the requirements of section 5416 of this division.

(iii) The applicant's procedure for delivering cannabis goods, including the vehicles and Global Positioning System devices that will be used.

(30) For applicants applying for a microbusiness license, the application shall include a detailed description of the applicant's operating procedures required by this section for each cannabis activity the applicant intends to engage in.

(31) For applicants applying for a testing laboratory license, in addition to the operating procedures required under subsection (c)(29) of this section, the standard application shall include the operating procedures required by chapter 6 of this division.

(32) The limited waiver of sovereign immunity required by section 5009 of this division, if applicable.

(33) Evidence of exemption from, or compliance with, the California Environmental Quality Act as required by section 5010.

Authority: Sections 115.4 and 26013, Business and Professions Code. Reference: Sections 115.4, 144 and 26051.5, Business and Professions Code.

(b) Temporary licensees shall track and record all cannabis commercial activities and information required pursuant to this division and any other provision of law, at a minimum, on paper receipts, invoices, or manifests.

(c) Any commercial cannabis activity conducted between annual license holders shall be recorded in the track and trace system.

(d) Any licensee in operation at the time the annual license is issued shall enter all inventory into the track and trace system no later than 30 days after the track and trace system account manager attends the training required pursuant to section 5048.

Authority: Section 26013, Business and Professions Code. Reference: Sections 26050.1, 26067, 26070, 26160 and 26161, Business and Professions Code.

Article 7. Returns and Destruction

§ 5053. Returns Between Licensees

(a) If a licensee discovers that a manufactured cannabis good that was purchased from another licensee is defective, the purchasing licensee may return the cannabis good to the selling licensee only in exchange for a non-defective version of the same type of cannabis good or in exchange for a cannabis good of equal value.

(b) Except as provided in subsection (a) of this section, a licensee shall not return cannabis goods purchased from another licensee.

Authority: Section 26013, Business and Professions Code. Reference: Sections 26013 and 26070, Business and Professions Code.

§ 5054. Destruction of Cannabis Products Prior to Disposal

No cannabis goods shall be disposed of as cannabis waste pursuant to section 5055 of this division unless the cannabis goods have been removed from their packaging and rendered unrecognizable and unusable.

Authority: Section 26013, Business and Professions Code. Reference: Section 26070, Business and Professions Code.

§ 5055. Cannabis Waste Management

(a) A licensee may not sell cannabis waste.

(b) Licensees shall comply with all applicable waste management laws including, but not limited to, Division 30 of the Public Resources Code.

(c) A licensee shall dispose of cannabis waste in a secured waste receptacle or in a secured area on the licensed premises. For the purposes of this section, “secure waste receptacle” or “secured area” means that physical access to the receptacle or area is restricted to the licensee and its employees and the local agency, or waste hauler franchised or contracted by a local agency. Public access to the designated receptacle or area is prohibited.

(d) If a licensee is composting cannabis waste on the licensed premises, a licensee shall do so in compliance with title 14, California Code of Regulations, chapter 3.1 (commencing with Section 17850).

(e) If a local agency, or waste hauler permitted by a local agency, is being used to collect and process cannabis waste, a licensee shall do all the following:

(1) Provide the Bureau with the following information for the local agency, or waste hauler franchised or contracted by a local agency, who will collect and process the licensee's cannabis waste;

(A) Name of local agency providing waste hauling services, if applicable;

(B) Company name of the local agency franchised or contracted or permitted waste hauler, if applicable;

(C) Company business address; and

(D) Name of the primary contact person at the company and contact person's phone number.

(2) Obtain documentation from the entity hauling the waste that indicates the date and time of each collection of cannabis waste at the licensed premises; and

(3) Obtain a copy of the certified weight ticket or other documentation prepared by the entity hauling the waste confirming receipt of the cannabis waste at one, or more, of the following solid waste facilities:

(A) A manned, fully permitted solid waste landfill or transformation facility;

(B) A manned, fully permitted composting facility or manned composting operation;

(C) A manned, fully permitted in-vessel digestion facility or manned in-vessel digestion operation;

(D) A manned, fully permitted transfer/processing facility or manned transfer/processing operation; or

(E) A manned, fully permitted chip and grind facility or manned chip and grind operation.

(f) If a licensee is self-hauling cannabis waste to one, or more, of the solid waste facilities in subsection (e)(3) of this section, a licensee shall obtain for each delivery of cannabis waste by the licensee a copy of a certified weight ticket or receipt documenting delivery from the solid waste facility. Only the licensee or its employees may transport self-hauled cannabis waste.

Authority: Section 26013, Business and Professions Code. Reference: Sections 26013 and 26070, Business and Professions Code.

**CANNABIS REGULATORY
COMMISSION
ITEM E (3)**

Senate Bill No. 1294

Passed the Senate August 31, 2018

Secretary of the Senate

Passed the Assembly August 31, 2018

Chief Clerk of the Assembly

This bill was received by the Governor this _____ day
of _____, 2018, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to add Chapter 23 (commencing with Section 26240) to Division 10 of the Business and Professions Code, relating to professions and vocations.

LEGISLATIVE COUNSEL'S DIGEST

SB 1294, Bradford. Cannabis: state and local equity programs.

The Control, Regulate and Tax Adult Use of Marijuana Act (AUMA), an initiative measure approved as Proposition 64 at the November 8, 2016, statewide general election, authorizes a person who obtains a state license under AUMA to engage in commercial adult-use cannabis activity pursuant to that license and applicable local ordinances. The Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), among other things, consolidates the licensure and regulation of commercial medicinal and adult-use cannabis activities.

This bill would enact the California Cannabis Equity Act of 2018. The bill would authorize the Bureau of Cannabis Control, upon request by a local jurisdiction, to provide technical assistance, as defined, to a local equity program that helps local equity applicants or local equity licensees. The bill would, upon appropriation of funds by the Legislature, authorize an eligible local jurisdiction to submit an application to the bureau for a grant to assist local equity applicants and local equity licensees through that local jurisdiction's equity program. The bill would require the bureau to review an application, and to grant funding to an eligible local jurisdiction, based on specified factors. The bill would require an eligible local jurisdiction that receives grant funds pursuant to these provisions to use the grant funds to assist local equity licensees in that local jurisdiction to gain entry to, and to successfully operate in, the state's regulated cannabis marketplace. The bill would require an eligible local jurisdiction that receives grant funds pursuant to these provisions to, on or before a specified date, submit an annual report to the bureau that contains specified information on the use of the grant funds and specified demographic data.

This bill would require, on or before July 1, 2019, the bureau to, among other things, publish approved local equity ordinances and model equity ordinances created by advocacy groups and experts, as specified, and to submit a report to the Legislature regarding the progress of local equity programs that receive funding pursuant to these provisions.

The Control, Regulate and Tax Adult Use of Marijuana Act, an initiative measure, authorizes the Legislature to amend the act to further the purposes and intent of the act with a $\frac{2}{3}$ vote of the membership of both houses of the Legislature, except as provided.

This bill would declare that its provisions further the purposes and intent of the Control, Regulate and Tax Adult Use of Marijuana Act.

The people of the State of California do enact as follows:

SECTION 1. This act shall be known and may be cited as the California Cannabis Equity Act of 2018.

SEC. 2. The Legislature finds and declares the following:

(a) In 2016, California voters approved Proposition 64, the Control, Regulate and Tax Adult Use of Marijuana Act (AUMA). In its statement of purpose and intent, AUMA calls for regulating cannabis in a way that “reduce[s] barriers to entry into the legal, regulated market.”

(b) Cannabis prohibition had a devastating impact on communities across California and across the United States. Persons convicted of a cannabis offense and their families suffer the long-term consequences of prohibition. These individuals have a more difficult time entering the newly created adult-use cannabis industry due, in part, to a lack of access to capital, business space, technical support, and regulatory compliance assistance.

(c) During the era of cannabis prohibition in California, the burdens of arrests, convictions, and long-term collateral consequences arising from a conviction fell disproportionately on Black and Latinx people, even though people of all races used and sold cannabis at nearly identical rates. The California Department of Justice data shows that from 2006 to 2015, inclusive, Black Californians were two times more likely to be arrested for cannabis misdemeanors and five times more likely to be arrested for cannabis felonies than White Californians. During the same period,

Latinx Californians were 35 percent more likely to be arrested for cannabis crimes than White Californians. The collateral consequences associated with cannabis law violations, coupled with generational poverty and a lack of access to resources, make it extraordinarily difficult for persons with convictions to enter the newly regulated industry.

(d) Offering technical support, regulatory compliance assistance, and assistance with securing the capital necessary to begin a business will further the stated intent of the AUMA by reducing barriers to licensure and employment in the regulated industry.

(e) Offering these supports will also aid the state in its goal of eliminating or reducing the illicit cannabis market by bringing more people into the legal marketplace.

(f) It is the intent of the Legislature in enacting this act to ensure that persons most harmed by cannabis criminalization and poverty be offered assistance to enter the multibillion dollar cannabis industry as entrepreneurs or as employees with high quality, well-paying jobs.

(g) It is the intent of the Legislature in enacting this act that the cannabis industry be representative of the state's population, and that barriers to entering the industry are reduced through support to localities that have created local equity programs in their jurisdictions.

(h) The Legislature finds and declares that this act furthers the purposes and intent of the Control, Regulate and Tax Adult Use of Marijuana Act, enacted as Proposition 64 of 2016.

SEC. 3. Chapter 23 (commencing with Section 26240) is added to Division 10 of the Business and Professions Code, to read:

CHAPTER 23. THE CALIFORNIA CANNABIS EQUITY ACT

26240. For purposes of this chapter, the following definitions apply:

(a) "Eligible local jurisdiction" means a local jurisdiction that has adopted or operates a local equity program.

(b) "Local equity applicant" means an applicant who has submitted, or will submit, an application to a local jurisdiction to engage in commercial cannabis activity within the jurisdictional boundaries of that jurisdiction and who meets the requirements of that jurisdiction's local equity program.

(c) “Local equity licensee” means a person who has obtained a license from a local jurisdiction to engage in commercial cannabis activity within the jurisdictional boundaries of that jurisdiction and who meets the requirements of that jurisdiction’s local equity program.

(d) “Local equity program” means a program adopted or operated by a local jurisdiction that focuses on inclusion and support of individuals and communities in California’s cannabis industry who are linked to populations or neighborhoods that were negatively or disproportionately impacted by cannabis criminalization. Local equity programs may include, but are not limited to, the following types of services:

(1) Small business support services offering technical assistance to those persons from economically disadvantaged communities that experience high rates of poverty or communities most harmed by cannabis prohibition, determined by historically high rates of arrests or convictions for cannabis law violations.

(2) Tiered fees or fee waivers for cannabis-related permits and licenses.

(3) Assistance in paying state regulatory and licensing fees.

(4) Assistance securing business locations prior to or during the application process.

(5) Assistance securing capital investments.

(6) Assistance with regulatory compliance.

(7) Assistance in recruitment, training, and retention of a qualified and diverse workforce, including transitional workers.

(e) “Transitional worker” means a person who, at the time of starting employment at the business premises, resides in a ZIP Code or census tract area with higher than average unemployment, crime, or child death rates, and faces at least one of the following barriers to employment: (1) is homeless; (2) is a custodial single parent; (3) is receiving public assistance; (4) lacks a GED or high school diploma; (5) has a criminal record or other involvement with the criminal justice system; (6) suffers from chronic unemployment; (7) is emancipated from the foster care system; (8) is a veteran; or (9) is over 65 years of age and is financially compromised.

26242. (a) The bureau may, upon request by a local jurisdiction, provide technical assistance to a local equity program that helps local equity applicants or local equity licensees. When

determining whether to provide technical assistance, the bureau shall make individual determinations based on the reasonableness of the request and available resources.

(b) “Technical assistance” includes providing training and educational sessions regarding state cannabis licensing processes and requirements to equity applicants or equity licensees that are coordinated with the local equity program.

26244. (a) (1) Upon appropriation of funds by the Legislature, an eligible local jurisdiction may, in the form and manner prescribed by the bureau, submit an application to the bureau for a grant to assist local equity applicants and local equity licensees through that local jurisdiction’s equity program.

(2) The bureau shall review an application based on the following factors:

(A) Whether the local jurisdiction is an eligible local jurisdiction.

(B) Whether the local jurisdiction has adopted or operates a local equity program.

(C) Whether the local jurisdiction has identified a local equity applicant or a local equity licensee that the local jurisdiction could assist, as defined in subdivision (b), through use of the grant funding.

(D) Whether the local jurisdiction has demonstrated the ability to provide, or created a plan to provide, the services identified in subdivision (b).

(E) The number of existing and potential local equity applicants and local equity licensees in the local jurisdiction.

(F) Any additional relevant and reasonable criteria the bureau deems necessary.

(3) The bureau shall grant funding to an eligible local jurisdiction based on its review of the factors in paragraph (2). If applications for funding are greater than the amount appropriated for this grant program, the bureau shall prorate the funding as necessary.

(b) An eligible local jurisdiction that receives a grant pursuant to subdivision (a) shall use grant funds to assist local equity applicants and local equity licensees in that local jurisdiction to gain entry to, and to successfully operate in, the state’s regulated cannabis marketplace. For purposes of this subdivision, “assist” includes, but is not limited to, any of the following methods:

(1) To provide a loan or a grant to a local equity applicant or local equity licensee to assist the applicant or licensee with startup and ongoing costs. For purposes of this paragraph, “startup and ongoing costs” include, but are not limited to, rent, leases, local and state application and licensing fees, regulatory adherence, testing of cannabis, equipment, capital improvements, and training and retention of a qualified and diverse workforce.

(2) To support local equity program efforts to provide sources of capital to local equity applicants and local equity licensees.

(3) To provide direct technical assistance to local equity applicants and local equity licensees.

(4) To assist in the administration of local equity programs.

(c) An eligible local jurisdiction that receives a grant pursuant to subdivision (a) shall, on or before January 1 of the year following receipt of the grant and annually thereafter for each year that grant funds are expended, submit an annual report to the bureau that includes all of the following information:

(1) How the local jurisdiction disbursed grant funds.

(2) How the local jurisdiction identified local equity applicants or local equity licensees, including how the local jurisdiction determines who qualifies as a local equity applicant or local equity licensee.

(3) The number of local equity applicants and local equity licensees that were served by the grant funds.

(4) Demographic data on equity applicants, equity licensees, and other applicants and licensees in the jurisdiction, including, but not limited to, race, ethnicity, gender, sexual orientation, income level, prior convictions, and veteran status. This information will be consolidated and reported without the individual’s identifying information.

(d) An eligible local jurisdiction that receives a grant pursuant to this section shall use no more than 10 percent of the state grant for administration, including employing staff or hiring consultants to administer grants and the program.

26246. To facilitate greater equity in business ownership and employment in the cannabis market, the bureau shall do all of the following:

(a) Serve as a point of contact for local equity programs.

(b) On or before July 1, 2019, publish approved local equity ordinances and model local equity ordinances created by advocacy

groups and experts to the bureau's Internet Web site. Advocacy groups and experts may include, but are not limited to, minority business owners and entrepreneurs, organizations with expertise in addressing barriers to employment and licensure for low-income communities or persons with prior arrests or convictions, and unions representing cannabis workers.

(c) To the extent feasible, coordinate with the relevant local jurisdictions to carry out the responsibilities described in this section.

26248. (a) On or before July 1, 2020, the bureau shall submit a report to the Legislature regarding the progress of local equity programs that have received funding pursuant to Section 26244.

(b) The report shall include, but is not limited to, the following information:

(1) The cities, counties, and cities and counties that have enacted local equity programs.

(2) The number of local equity applicants and general applicants applying for and receiving licenses in the jurisdictions that received grants.

(3) Information collected pursuant to subdivision (c) of Section 26244.

(c) The bureau shall post the report required by this section on its Internet Web site.

(d) The report required by this section shall be submitted in compliance with Section 9795 of the Government Code, and shall apply notwithstanding Section 10231.5 of the Government Code.

26250. The provisions of this chapter are severable. If any provision of this chapter or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

SEC. 4. The Legislature finds and declares that this act furthers the purposes and intent of the Control, Regulate and Tax Adult Use of Marijuana Act.

**CANNABIS REGULATORY
COMMISSION
ITEM E (4)**

5.80.045 - Equity Permit Program.

A. Equity Criteria. Applicant ownership/owner must satisfy the following criteria:

1. Be an Oakland resident; and
2. In the last year, have had an annual income at or less than eighty (80) percent Oakland average median income (AMI) adjusted for household size; and
3. Either (i) has lived in any combination of Oakland Police Department Beats 2X, 2Y, 6X, 7X, 19X, 21X, 21Y, 23X, 26Y, 27X, 27Y, 29X, 30X, 30Y, 31Y, 32X, 33X, 34X, 5X, 8X and 35X for at least ten (10) of the last twenty (20) years; or (ii) was arrested after November 5, 1996 and convicted of a cannabis crime committed in Oakland, California.

B. Review of Criteria.

1. Proof of Income shall be supported with federal tax returns and at least one (1) of the following documents: two (2) months of pay stubs, current Profit and Loss Statement, Balance Sheet, or proof of current eligibility for General Assistance, Food Stamps, Medical/CALWORKs, or Supplemental Security Income or Social Security Disability (SSI/SSDI)
2. Residency must be for a total of ten (10) years in any combination of the designated Oakland police beats as set forth in Section 5.80.010 H.3. A minimum of two (2) of the documents listed below, evidencing ten (10) years of residency, shall be considered acceptable proof of residency. All residency documents must list the applicant's first and last name, and the Oakland residence address in the police beats set forth in Section 5.80.010 H.3:
 - California driver's record; or
 - California identification card record; or
 - Property tax billing and payments; or
 - Verified copies of state or federal income tax returns where an Oakland address within the police beats is listed as a primary address; or
 - School records; or
 - Medical Records; or
 - Banking records; or

- Oakland Housing Authority records; or
 - Utility, cable or internet company billing and payment covering any month in each of the ten (10) years.
3. Proof of Conviction should be demonstrated through federal or state court records indicating the disposition of the criminal matter.
- C. Assistance. Equity Applicants will be eligible for participation in the Equity Assistance program, which will include industry specific technical assistance, business ownership technical assistance, no interest business start-up loans, and waivers from City permitting fees.
- D. Initial Permitting Phase.
1. The period of time before the Equity Assistance Program referred to in OMC 5.80.045(C), is established, funded and implemented shall be referred to as the Initial Permitting Phase
 2. At any point during the Initial Permitting Phase, a minimum of fifty (50) percent of all permits collectively issued under OMC Chapters 5.80 and 5.81 shall be issued to Equity Applicants. This excludes the permits issued to the initial eight (8) dispensaries.
 3. In the Initial Permitting Phase, a General Applicant will receive the next available General Applicant permit if it serves as an Equity Incubator by providing free real estate or rent to an Equity Applicant who obtains a cannabis permit. In order to receive this permitting priority, the General Applicant must also comply with the following conditions:
 - a. The free real estate or rent shall be for a minimum of three (3) years.
 - b. The Equity Applicant shall have access to a minimum of one thousand (1,000) square feet to conduct its business operations.
 - c. The General Applicant must provide any City required security measures, including camera systems, safes, and alarm systems for the space utilized by the Equity Applicant.
 - d. The General Applicant is otherwise compliant with all other requirements of OMC Chapter 5.80 or 5.81.
 4. If a General Applicant obtains a cannabis permit utilizing the Equity Incubator priority provisions of OMC 5.80.045 D.3. and the Equity Applicant ceases its business operations, the General Applicant must:

- a. Notify the City Administrator within thirty (30) days of the Equity Applicant ceasing its business operations; and
 - b. Re-apply for a cannabis permit subject to the permitting restrictions of this Chapter, including OMC 5.80.045 D.2.
5. Failure to notify the City Administrator, submit a new application and obtain a new cannabis permit as required under OMC 5.80.045 D. is grounds for revocation and a violation of this Chapter.

E. Renewal.

1. In order to continue to receive new Equity Assistance Program services, an Equity Applicant must provide proof that it continues to satisfy the Equity Criteria at the time of its annual permit renewal.
2. An Equity Applicant who no longer satisfies the Equity Criteria but is compliant with all other requirements of OMC Chapter 5.80 or 5.81 will be entitled to renew the permit but will no longer be entitled to receive new Equity Assistance Program services. Such an Applicant may utilize any services previously granted under the Equity Assistance Program, though, such as previously issued loans.

(Ord. 13464, § 3, 11-28-2017; Ord. No. 13424, § 3, 3-28-2017; Ord. No. 13370, § 3, 5-17-2016)

**CANNABIS REGULATORY
COMMISSION
ITEM F (1)**

	TOTALS	PENDING	GRAND TOTAL
Total Complete & Incomplete Applications	1058	70	1128
Total Complete Applications	1058		
Complete General Applications	442		
Equity Applications based on residency	527		
Equity Applications based on conviction	89		
Incubators	204		
Interested in Incubating	40		
Complete Application with property	745		
Complete Application without property (Equity)	265		
Complete Applicants without property (General)	48		
	1058		

COMPLETED APPLICATIONS BY BUSINESS TYPE	GENERAL	INCUBATOR*	INTERESTED IN INCUBATING*	EQUITY
Delivery	104	36	6	156
Cultivator (Indoor)	104	46	16	102
Cultivator (Outdoor)	3	2		27
Distributor	99	54	9	154
Mfg. Volatile	50	23	2	41
Mfg. Non-Volatile	74	39	7	96
Transporter	5	2	0	28
Lab Testing	3	2	0	12
GRAND TOTALS	442	204	40	616

*These numbers are part of the General Total

9/25/2018

9/27/2018

TEMPORARY STATE LICENSES APPROVED

	Delivery	Distribution	Cultivation	Lab Testing	Mfg. V	Mfg. NV	
EQUITY	63	58	25	3	7	33	189
INCUBATORS	18	46	34	2	18	32	150
GENERALS	7	0	1	0	0	4	12
TOTALS:	88	104	60	5	25	69	351

9/25/2018

