

Thursday January 4, 2024 6:30 pm

1 Frank Ogawa Plaza, City Hall, 3rd Floor City Council Chambers
Oakland, CA 94612

AGENDA

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

Members:

Javier Armas	District 1	Hellen Harvey	District 7
Tracey Corder	District 2	Chaney Turner	At Large
Taib Alaoui	District 3	Yulie Padmore	Mayor
Tariq Ikharo	District 4	TiYanna Long	City Auditor
Vacant	District 5	Greg Minor	City Administrator
Tanya Boyce	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 November 2, 2023
- C. Reports for Discussion and Possible Action
 - 1. Draft 2022 and 2023 Cannabis Regulatory Commission Annual Reports
 - 2. Establishing a Department of Cannabis
 - 3. Community Beautification Requirements
 - 4. Implementation Update on State Grants
- D. Review of the Pending List and Additions to Next Month's Agenda
 - *Building and Fire Baseline Permitting Timelines (since January 2022)*
 - *Planning Department Discussion re Zones Eligible for Cannabis Businesses (since October 2022)*
 - *Draft 2022 Cannabis Regulatory Commission Annual Report (since October 2023)*
 - *Updated Information from Finance Department (since October 2023)*
 - *CRC Attendance Policy (since November 2023)*
 - *Contracting Hazardous Materials Inspections (since November 2023)*
- E. Open Forum / Public Comment
- F. Announcements
 - 1. Update on Cannabis Permitting Process
 - 2. Apply to serve on CRC here:
<https://oakland.granicus.com/boards/w/8552f8c4c0e15460/boards/6697>
- G. Adjournment

Thursday November 2, 2023 6:30 pm

MINUTES

1 Frank Ogawa Plaza, City Hall, 3rd Floor City Council Chambers
Oakland, CA 94612

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Tanya Boyce	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: Armas, Ikharo, Boyce, Harvey, Turner, Padmore, Long, Minor

Absent: Corder, Alaoui

B. Approval of the Draft Minutes from the CRC Special Meeting on October 2023

Chair Turner moved to approve the minutes as drafted. Member Armas seconded the motion and the motion passed with Member Minor abstaining.

C. Reports for Discussion and Possible Action

1. Oakland Police Department Report on 2022 Citations and Arrests for Cannabis Offenses and Discussion Regarding Private Security Guards at Cannabis Businesses

Officer John Romero presented the report on behalf of the Oakland Police Department (OPD). Officer Romero highlighted the significant drop in cannabis arrests in recent years. Member Minor noted the City's 2017 equity analysis provided 20 years of historical cannabis arrest data for more context.

Member Boyce asked how the City is addressing unpermitted cultivation activity and what the protocol is for addressing cannabis use at federally subsidized housing? Officer Romero noted the City addresses unpermitted cultivation administratively and federal properties in Oakland are addressed by the Oakland Housing Authority. Member Boyce then asked how OPD coordinates with private security guards at cannabis businesses. Officer Romero shared that OPD knows which businesses have private security guards, but the State of California regulates private security guards through the Bureau of Security and Investigative Services (BSIS). Member Boyce then advocated for increased training for City staff so that they can become familiar with environmental compliance requirements.

Vice-Chair Long asked whether there have been arrests made for burglaries of cannabis businesses. Officer Romero stated yes, but sometimes cannabis operators do not report burglaries, particularly if they are unpermitted operators.

2. Developing a CRC Member Attendance Policy

Chair Turner noted that the CRC has had quorum issues in 2023, which prevented the CRC from conducting business. Chair Turner encouraged CRC members to email in advance of the meeting. Chair Turner then made a motion to add an attendance policy to the pending list as staff works with the City Attorney's Office to

develop an attendance policy for the CRC. Member Boyce seconded the motion and it passed with Member Minor abstaining.

3. Exit Interview Survey for Withdrawn Applications

Member Minor provided background on the exit interview survey and how the updated survey reflects the CRC's last input.

Vice Chair Long made a motion to (1) request that staff gather information on how the City is informed of when operators withdraw their application and (2) add a question regarding whether the operator is relocating their business within Oakland. Chair Turner made a friendly amendment to add a question regarding what if any impact burglaries/robberies had on their business. Vice Chair Long accepted the friendly amendment. Chair Turner seconded the motion and it passed with Member Minor abstaining.

4. Fires Related to Cannabis Cultivation Facilities and Status of Hazardous Materials Inspector in Fire Prevention Bureau

Member Minor provided the report. Member Boyce made a motion to place the issue of the City contracting hazardous materials inspections on the pending list and to ask staff to determine what the cost of doing so would be. Chair Turner seconded the motion. Member Armas expresses reluctance over hiring a consultant versus City staff based in Oakland. Nevertheless, the motion passed with Member Minor abstaining.

5. Implementation Update on State Grants

Member Minor provided the update, which included that the City is no longer accepted new grant applications due to less Go-Biz funding being available. Chair Turner asked how many security grant applications the City received; Member Minor offered to provide an update at the December CRC meeting.

After noting cannabis businesses are still struggling with burglaries, Chair Turner then made a motion to place on the pending list that the City should have emergency funding available to operators. Member Padmore seconded the motion and the motion passes with Member Minor abstaining.

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

- *Building and Fire Baseline Permitting Timelines (since January 2022)*
- *Establishing Department of Cannabis (since September 2022)*
- *Planning Department Discussion re Zones Eligible for Cannabis Businesses (since October 2022)*
- *Draft 2022 Cannabis Regulatory Commission Annual Report (since October 2023)*
- *Updated information from Finance Department (since October 2023)*

Member Boyce made a motion to review the City's community beautification requirements at the next CRC meeting. Chair Turner seconded the motion and it passed with Member Minor abstaining.

Chair Turner made a motion to agendaize creating a Department of Cannabis at next month's CRC meeting. Vice-Chair Long seconded the motion and it passed with Member Minor abstaining.

E. Open Forum / Public Comment

Public speakers spoke regarding the loan program and whether bios can be available for CRC members.

F. Announcements

1. Update on Cannabis Permitting Process
2. Proposal to Authorize Converting Cannabis Equity Loans Into Grants, Allow the Transfer of Permits from Equity Applicants to General Applicants, and Lift the Limit on Cannabis Special Events for a One-Year Period is Scheduled for the City Council's November 14th Community Economic Development (CED) Committee Meeting
3. Apply to serve on CRC here:
<https://oakland.granicus.com/boards/w/8552f8c4c0e15460/boards/6697>

Chair Turner noted that Senate Bill (SB) 51 was signed into law by Governor Newsom, extending the provisional licensing sunset for equity retailers.

G. Adjournment

**CITY OF OAKLAND CANNABIS REGULATORY COMMISSION
2022 ANNUAL REPORT**

To: Oakland City Council Community Economic Development Committee

From: Cannabis Regulatory Commission

Re: 2022 Annual Report

Date: December 23, 2022

Members: Chaney Turner, Chair, At Large; TiYanna Long, Vice-Chair, City Auditor; Javier Armas, District 1; Tracey Corder, District 2; Taib Alaoui, District 3; Lauren Payne, District 4; Vacant, District 5; Vacant, District 6; Vacant, District 7; Vacant, Mayor; Greg Minor, City Administrator.

I. EXECUTIVE SUMMARY

In 2022 the Cannabis Regulatory Commission (CRC) continued 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). 2022 discussions ranged from how to improve the security of cannabis businesses, to identifying trends in the regulated marketplace via financial data, to how to utilize state grants, to discouraging the use of diesel generators by cannabis cultivators, and the proposed Emerald New Deal ballot measure.

Additionally, in the coming months, the CRC anticipates finalizing its recommendations on whether and how to (i) forgive loans for delinquent equity loan borrowers and (ii) allow for the transfer of cannabis permits from equity applicants to general applicants.

Finally, it is critical that the City Council fill existing vacancies on the CRC so that the CRC can maintain quorum at monthly meetings. CRC meetings provide an essential forum for the public to guide the City of Oakland's cannabis program forward, and filling vacancies on the CRC will ensure this forum remains available.

II. CANNABIS REGULATORY COMMISSION COMPOSITION AND ATTENDANCE

The CRC currently has only seven members and four vacancies, leaving the CRC with just above the minimum number of six members to achieve quorum. There are currently vacancies for representatives of Districts Five, Six, and Seven as well as the Mayor's Office. The CRC strongly encourages the City Council and Mayor to fill all of these vacancies.

In terms of public engagement, public attendance at CRC meetings ranges from around fifteen to thirty 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 year: (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 five 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 (See **Attachments One and Two**). 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. Additionally, the supplemental report displayed that in 2022 the average gross receipts of an Oakland equity applicant is only \$328,727, whereas the average gross receipts of a general applicant is \$1,286,421.

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 most recent grant 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.

vi. Additional Recommendations

In addition to discussing the above topics, in 2022 the CRC recommended that the City establish a Department of Cannabis and that a representative of the Planning and Building Department speak with the CRC regarding what new zones cannabis businesses can potentially locate in.

V. Conclusion and Next Steps

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

Respectfully submitted,

Chair

Cannabis Regulatory Commission

Vice-Chair
Cannabis Regulatory Commission

Attachment One:
2022 Initial Finance Department Report to the Cannabis Regulatory Commission

Attachment Two:
2022 Supplemental Finance Department Report to the Cannabis Regulatory
Commission

DRAFT

CITY OF OAKLAND CANNABIS REGULATORY COMMISSION 2023 ANNUAL REPORT

To: Oakland City Council Community Economic Development Committee
From: Cannabis Regulatory Commission
Re: 2023 Annual Report
Date: December 15, 2023

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

I. EXECUTIVE SUMMARY

In 2023 the Cannabis Regulatory Commission (CRC) struggled to meet due to lack of quorum, but when the CRC did meet it made recommendations that shaped the City of Oakland's (City's) cannabis policies. For example, 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, authorize equity applicants to convert loans into grants and have the option of transferring permits to general applicants, as well as increasing the number of cannabis special events.

CRC meetings provide an essential forum for the public to guide the City's cannabis program. While the City filled all but one vacancy on the CRC in 2023, filling the last CRC vacancy and improving CRC member attendance will ensure this public forum remains available.

II. CANNABIS REGULATORY COMMISSION COMPOSITION AND ATTENDANCE

In 2023 the City filled three of four vacancies on the CRC, leaving just the District Five representative vacant. However, 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.

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. 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 agendized future discussion regarding establishing a Department of Cannabis and rexamining what new zones cannabis businesses can potentially locate in.

IV. Conclusion and Next Steps

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

Respectfully submitted,

Chair
Cannabis Regulatory Commission

Vice-Chair
Cannabis Regulatory Commission

Attachment One:
2023 Initial Finance Department Report to the Cannabis Regulatory Commission



Cannabis Regulatory Commission

TO: Cannabis Regulatory Commission

FROM: Greg Minor
Deputy Director, Economic
and Workforce
Development Department

SUBJECT: January 2024 Agenda Items

DATE: December 18, 2023

ITEM C (1) Draft 2022 and 2023 Cannabis Regulatory Commission Annual Reports

Measure Z, the 2004 ballot initiative that established the Cannabis Regulatory Commission (CRC), as well as the CRC's implementing ordinance, [Ordinance No. 12694 C.M.S.](#), require that the CRC present to the City Council annually on the implementation of Measure Z. Staff presented a draft 2022 CRC report to the CRC in early 2023; at that time the CRC passed a motion for a subcommittee to review the report. At the October 2023 CRC meeting Vice-Chair Long made a motion to bundle the CRC's 2022-2023 annual reports for presenting to the City Council in the spring of 2024. Member Boyce seconded the motion and it passed by consensus.

Accordingly, enclosed for the CRC's review please find draft annual CRC reports for 2022 and 2023 composed by staff based on minutes of CRC meetings.

ITEM C (2) Establishing a Department of Cannabis

At the November CRC meeting Chair Turner made a motion to agendize creating a Department of Cannabis. Vice-Chair Long seconded the motion and it passed by consensus.

Cannabis permitting and implementation of the City's cannabis Equity Program currently falls within the Special Activity Permits Division in the Economic and Workforce Development Department (EWDD). The Special Activity Permits Division also oversees the permitting of special events, film production, mobile vending, cabarets, massage establishments, bingo halls, and secondhand dealers. Prior to July 2021 the Special Activity Permits Division resided in the City Administrator's Office and included addressing public nuisance complaints citywide. The Nuisance Abatement Division sunset in the summer of 2021 when the Special Activity Permits Division moved into the EWDD to focus its efforts on economic development and improve coordination with EWDD's Business Development, Real Estate, Workforce Development, and Cultural Affairs Divisions.

In addition to discussing whether to establish a Department of Cannabis, staff recommends that the CRC consider how it will fund any new positions, particularly in an upcoming City mid-year budget cycle that will likely require the City to reduce expenditures. Additionally, staff recommends considering whether the creation of a new department will duplicate any existing functions in EWDD.

ITEM C (3) Community Beautification Requirements

At the November CRC meeting Member Boyce made a motion to review the City's community beautification requirements for cannabis operators. Chair Turner seconded the motion and it passed by consensus.

Oakland's cannabis permitting ordinances, Oakland Municipal Code (OMC) 5.80 and 5.81 require cannabis operators to provide a community beautification plan to reduce illegal dumping, littering, graffiti, and blight and promote beautification of the adjacent community within fifty (50) feet of the dispensary or delivery-only dispensary. The City currently requires applicants to provide a community beautification plan as part of their initial application and to provide proof of implementation at their annual permit renewal.

ITEM C (4) 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. Notably, due to less state investment in cannabis equity programs, the City of Oakland and other local jurisdictions have less funds to disburse to equity applicants this fiscal year.

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

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

With respect to the \$5,435,140.82 “Go-Biz 3” grant, staff finished disbursing these funds in December 2023. Staff is now in the process of disbursing “Go-Biz 4” funds. As the amount of Go-Biz 4 grant applicants in the pipeline matches the amount of funding available, the City stopped processing new grant applications in November 2023.

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. As noted at prior CRC meetings, due to delays in hiring building and fire department staff, staff has sought City Council and DCC approval to re-purposed unspent funding as grants to operators to bring their buildings into compliance with building, fire and health codes. Additionally, staff has formed small teams of inspectors on overtime to inspect and review the compliance status of provisionally licensed cannabis operators.

Finally, in 2021 the City received a three-year grant from the Board of State and Community Corrections (BSCC) to address the impacts of cannabis legalization and in 2023 the City received a five-year \$3 million [Proposition 64 Health and Safety Cohort 3 Grant](#), which will consist of (i) security measures for Oakland’s licensed cannabis operators and (ii) a public education campaign to support Oakland equity operators. For more information, please [visit here](#).

Figures 1-4 provide status updates on these various state grants.

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

Figure 1- Local Jurisdiction Assistance Grant

LOCAL JURISDICTION ASSISTANCE GRANT - 3 Years

USES	COST IN ONE YEAR	COST OVER THREE YEARS	DISBURSED	BALANCE
Grants to Provisionally Licensed Equity Applicants	\$547,218.50	\$1,722,655.50	1,325,000.00	\$397,655.50
Special Activity Permit Technician	\$166,810.00	\$500,430.00	9,572.45	\$490,857.55
Planning CEQA Review	\$9,237.00	\$27,710.00	615.29	\$27,094.71
Program Analyst for Processing Grants	\$198,640.00	\$595,920.00	123,151.79	\$472,768.21
Process Coordinator II in Building Bureau	\$175,696.00	\$527,088.00		\$527,088.00
Overtime for Civil Engineers to Review Plans	\$591,075.00	\$1,773,224.00	14,101.68	\$1,759,122.32
Overtime for Code Enforcement	\$78,115.80	\$234,347.00	31,345.44	\$203,001.56
Hazardous Materials Inspector II	\$193,545.00	\$580,638.00		\$580,638.00
Overtime for Fire Plan Engineers to Review Plans	\$73,760.00	\$221,280.00		\$221,280.00
Overtime for Fire Code Enforcement	\$61,824.00	\$185,472.00	10,640.87	\$174,831.13
Overtime for Municipal Code Enforcement Officers for Security Inspections	\$50,000.00	\$150,000.00	43,222.65	\$106,777.35
Annual CPTED Training for Municipal Code Enforcement Officers	\$1,200.00	\$3,600.00	887.16	\$2,712.84
Establishing/Maintaining Accela Module for Cannabis Permit Tracking	\$310,000.00	\$430,000.00		\$430,000.00
Grants to Meet Security Requirements	\$574,218.50	\$1,722,655.50	1,470,737.39	\$251,918.11
Consultant (4Front Partners) to Administer Loan/Grant Programs	\$160,000.00	\$480,000.00	383,681.14	\$96,318.86
Consultant (Knox & Ross) to Provide Legal Assistance to Equity Applicants	\$125,000.00	\$375,000.00	144,250.00	\$230,750.00
Consultant (Oaksterdam) to Provide Technical Assistance to Equity Applicants	\$125,000.00	\$375,000.00	234,415.00	\$140,585.00
TOTALS	\$3,441,339.80	\$9,905,020.00	\$3,791,620.86	\$6,113,399.14

Figure 2: 2022-2023 Go-Biz (GO-Biz 3) Grant Funds

	TOTAL FUNDED	DISBURSED	BALANCE
Grants/Loans to Operators for Start Up and Ongoing Costs	\$2,178,953.10	\$2,178,953.10	\$0
Events	\$300,000.00	\$300,000.00	\$0
No Interest Loan to Purchase Property	\$2,250,000.00	\$2,250,000.00	\$0
Managing Shared-Use Facilities	\$212,915.36	\$212,915.36	\$0
Workforce Development	\$280,357.00	\$280,357.00	\$0
Administering of Grant/Loan Programs	\$89,956.36	\$89,956.36	\$0
STAFFING			
Half of City Administrator Analyst	\$122,959.00	\$122,959.00	\$0
TOTALS	\$5,435,140.82	\$5,154,783.82	\$0

Figure 3- Original and Current Uses of Proposition 64 Cohort Two Grant (2021-2024)

Original and Proposed/New Uses of Proposition 64 (BSCC) Grant Funds				
Purpose	Original Organization	Original Amount	New or Same Organization	New or Same Amount
Preventative and Intervention Activities for Youth	East Oakland Youth Development Center (EOYDC)	\$360,000	Public Health Institute	\$280,000
Develop and Support Youth Awareness Campaign	Public Health Institute	\$133,306	Same	\$163,306
Data Management/Local Evaluation Reports	Cityspan	\$30,000	LMB Creative Group, LLC	\$80,000
Security Workshops and Support for Cannabis Businesses	City of Oakland: 8 Hours Weekly Police Officer Overtime	\$112,329	Same	Same
Public Outreach Campaign to Adults	To Be Determined After Request for Proposals	\$70,000	Make Green Go Selected After RFP	\$75,000
Meeting Supplies and Notification	EOYDC, OUSD, PHI	\$32,000	Youth Uprising, OUSD, PHI	\$27,000
Indirect Costs/Overhead	City of Oakland	\$29,059	Same	Same
Oversee Overall Program	City of Oakland: 0.5 F.T.E. City Administrator Analyst	\$231,000	Same	Same
TOTAL				\$997,694

Figure 4- Proposition 64 Cohort Three Grant (2023-2028)

USES	YEAR 1 FY 23-24	YEAR 2 FY 24-25	YEAR 3 FY 25-26	YEAR 4 FY 26-27	YEAR 5 FY 27-28	TOTAL
Half of Program Analyst III	0	\$100,000	\$105,000	\$110,000	\$115,000	\$430,000
Equity Public Awareness Consultant	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$225,000
3rd Party Evaluator	0	\$20,000	\$20,000	\$20,000	\$20,000	\$80,000
Grants to Secure Facilities	0	0	\$200,000	\$200,000	\$200,000	\$600,000
Grants to Support Onsite Security	\$332,000	\$332,000	\$332,000	\$332,000	\$332,000	\$1,660,000
RFP Advertising	5,000					\$5,000
TOTAL	\$382,000	\$497,000	\$702,000	\$707,000	\$712,000	\$3,000,000

Figure 5: 2023-2024 Go-Biz (GO-Biz 4) Grant Funds

CATEGORY	TOTAL FUNDED	DISBURSED	BALANCE
Grants/Loans to Operators for Start Up and Ongoing Costs	\$1,796,838.75	\$ 1,421,046.90	\$375,791.85
Consultant (Loan & Grants)	\$78,979.75	\$ 78,979.75	0
Staffing (Half of City Administrator Analyst)	\$120,669.00	0	\$ 120,669.00

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	1562	140
Total Complete Applications	1562	
Complete General Applications	664	
Equity Applications based on residency	780	
Equity Applications based on conviction	118	
Incubators	316	
Interested in Incubating	23	
Complete Application with property	1020	
Complete Application without property (Equity)	438	
Complete Applicants without property (General)	104	

Figure F-2: Permit Applications by Category

COMPLETED APPLICATIONS BY BUSINESS TYPE	GENERAL	INCUBATOR*	INTERESTED IN INCUBATING*	EQUITY
Delivery	160	51	4	230
Cultivator (Indoor)	214	103	13	149
Cultivator (Outdoor)	5	3	0	36
Distributor	140	76	4	219
Mfg. Volatile	49	36	0	46
Mfg. Non-Volatile	90	43	2	172
Transporter	5	3	0	36
Lab Testing	1	1	0	10
GRAND TOTALS	664	316	23	898

*These numbers are part of the General Total

Figure F-3: Operators Issued Provisional and Annual Licenses

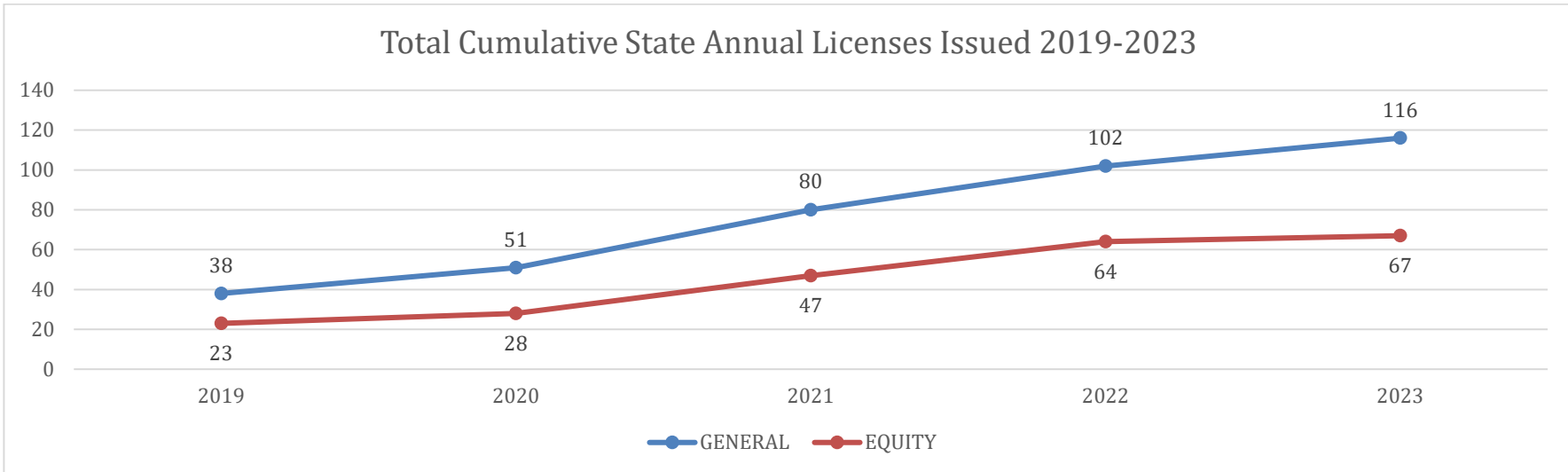
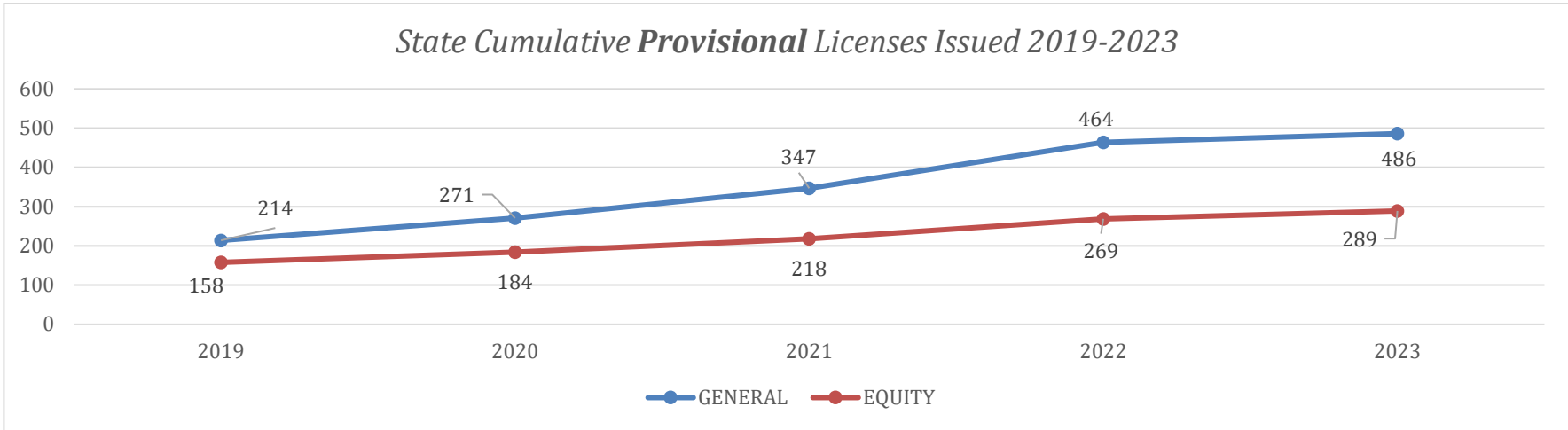


Figure F-4: New Permits Issued to Cannabis Operators Since Spring of 2017 by Category²

NEW ANNUAL PERMITS BY BUSINESS TYPE	General	Incubator	Equity	Total
On-site Consumption	3		3	6
Dispensary	8	1	9	18
Delivery	69	18	88	169
Cultivator (Indoor)	6	6	19	31
Cultivator (Outdoor)	0	0	2	2
Distributor	26	27	59	112
Mfg. Volatile	3	5	1	9
Mfg. Non-Volatile	9	11	42	62
Transporter	2	0	5	6
Lab Testing	0	0	0	0
GRAND TOTALS	126	68	228	421

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

Figure F-5: Withdrawn Applications

WITHDRAWN APPLICATIONS	GENERAL	INCUBATOR	EQUITY	TOTALS
Delivery	22	39	88	149
Cultivator (Indoor)	18	23	62	103
Cultivator (Outdoor)	14	13	13	40
Distributor	13	56	74	143
Mfg. Volatile	4	20	23	47
Mfg. Non-Volatile	14	30	52	96
Transporter	6	1	16	23
Lab Testing		3	3	6
TOTALS	91	185	331	607

Figure F-6: Revoked Local Authorization

REVOKED LOCAL AUTHORIZATION	GENERAL	INCUBATOR	EQUITY	TOTALS
Delivery	1	6	6	13
Cultivator (Indoor)	5	20	6	31
Cultivator (Outdoor)				0
Distributor	1	5	4	10
Mfg. Volatile		3		3
Mfg. Non-Volatile		3	1	4
Transporter		1		1
Lab Testing				0
TOTALS	7	38	17	62

Figure F-7: Graph of Cannabis Permit Applications Received Since 2017

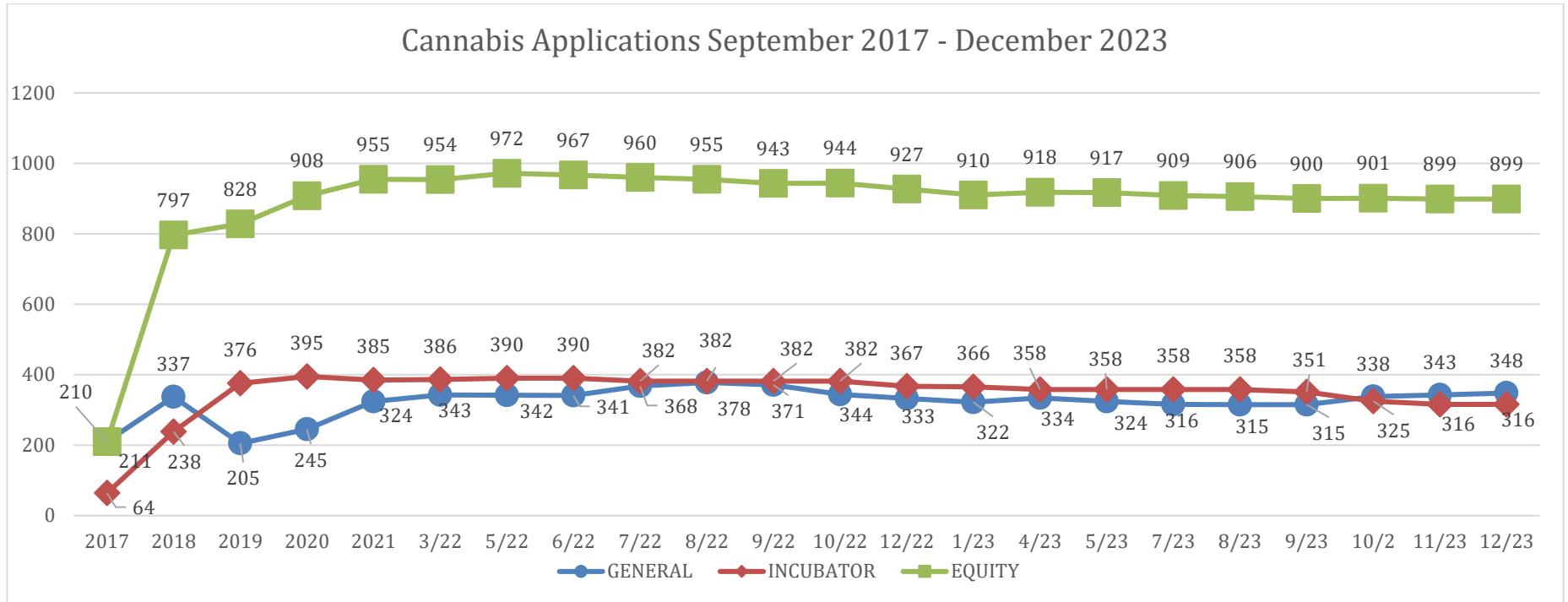


Figure F-8: Graph of Cannabis Permits Issued since 2018

