

Thursday October 5, 2023 6:30 pm

## AGENDA

1 Frank Ogawa Plaza, City Hall, 3<sup>rd</sup> Floor City Council Chambers  
Oakland, CA 94612

Reminder: This meeting will take place in person. Members of the public can observe remotely via zoom but must attend in person in order to participate.

### **PUBLIC PARTICIPATION INSTRUCTIONS**

#### **TO OBSERVE:**

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

- Attend in person; or
- Comment in advance. To send your comment before the meeting starts, please send your comment, along with your full name and agenda item number you are commenting on, to Greg Minor at [gminor@oaklandca.gov](mailto:gminor@oaklandca.gov). All submitted public comments will be provided to the Cannabis Regulatory Commission prior to the meeting.

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♿ 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.

**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 Special Meeting on February 9, 2023
- C. Reports for Discussion and Possible Action
  - 1. 2023 Annual Report from Revenue Management Bureau on Cannabis Business Taxes
  - 2. Proposal to Allow Cannabis Cafes, Authorize Equity Loans to be Converted Into Grants, Allow the Transfer of Permits from Equity Applicants to General Applicants, and Increase Number of Cannabis Special Event Permits at a Location from Twelve To Twenty-Four Per Year
  - 3. 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)*
  - *Finalize Exit Interview Survey for Withdrawn Applications (since July 2022)*
  - *Establishing Department of Cannabis (since September 2022)*
  - *Planning Department Discussion re Zones Eligible for Cannabis Businesses (since October 2022)*
  - *Oakland Police Department Report on Citations and Arrests for Cannabis Offenses in 2022 (since October 2023)*
  - *Draft 2022 Cannabis Regulatory Commission Annual Report (since October 2023)*
- E. Open Forum / Public Comment
- F. Announcements
  - 1. Update on Cannabis Permitting Process
  - 2. Updates Since February Meeting
    - a. Cultivation Ordinance Amendment to Preserve Work-Live Uses
    - b. Large Cultivator and Compliance Plan Fees
  - 3. State Legislative Updates
    - a. Senate Bill 51
  - 4. Apply to serve on CRC here:  
<https://oakland.granicus.com/boards/w/8552f8c4c0e15460/boards/6697>
- G. Adjournment

Thursday February 9, 2023 6:30 pm  
Teleconference Meeting

## MINUTES

Pursuant to the Governor's Executive Order N-29-20 and AB 361, members of the Cannabis Regulatory Commission as well as City staff will participate via phone/video conference and no physical teleconference locations are required.

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- By Video Conference. To comment by Zoom video conference, click the “Raise Your Hand” button to request to speak when Public Comment is being taken on an eligible agenda item at the beginning of the meeting. You will then be unmuted, during your turn, and allowed to participate in public comment. After the allotted time, you will then be re-muted. Instructions on how to “Raise Your Hand” are available at: <https://support.zoom.us/hc/en-us/articles/205566129>, which is a webpage entitled “Raise Hand In Webinar.”

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• By Phone. To comment by phone, please call on one of the above listed phone numbers. You will be prompted to “Raise Your Hand” by pressing STAR-NINE (“\*9”) to request to speak when Public Comment is being taken on a eligible agenda item at the beginning of the meeting.

Once it is your turn, you will be unmuted and allowed to make your comment. After the allotted time, you will be re-muted. Instructions of how to raise your hand by phone are available at: <https://support.zoom.us/hc/en-us/articles/201362663>, which is a webpage entitled “Joining a Meeting by Phone.”

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## MEETING AGENDA

A. Roll Call and Determination of Quorum

*Present: Armas, Corder, Payne, Turner, Long, and Minor*  
*Absent: Alaoui*

B. Approval of the Draft Minutes from the CRC Special Meeting on January 5, 2023

*Chair Turner moved to approve the minutes as drafted. Member Payne seconded the motion and it passed by consensus.*

C. Reports for Discussion and Possible Action

1. Adopt a Resolution Determining That Conducting In-Person Meetings of The Cannabis Regulatory Commission Would Present Imminent Risks to Attendees’ Health, And Electing to Continue Conducting Meetings Using Teleconferencing in Accordance with California Government Code Section 54953(E), A Provision Of AB-361

*Member Minor provided an overview of the item, including the upcoming end of the State of California’s COVID-19 State of Emergency at the end of February, which will require meetings to be in person in March due to state open meeting requirements. Member Payne shared that she will not be able to meet in person.*

*Chair Turner made a motion to adopt the resolution in the packet and to recommend that the CRC be able to continue to meet remotely in March and beyond. Vice-Chair Long seconded the motion and it passed by consensus.*

2. Potential Restrictions on Cannabis Cultivation Activities on Parcels Containing Live/Work or Residential Uses

*Alistair Monroe of the Oakland Cannery shared the experience of Oakland Cannery residents suffering in the past due to cannabis cultivators' use of diesel generators. Mr. Monroe expressed the importance of closing loopholes in the permitting of cannabis businesses to avoid further displacement of live-work tenants. Kaya Sugerman with the Center for Environmental Health spoke in support of the Oakland Cannery residents and encouraged the City of Oakland to prohibit cannabis cultivation on the same parcel as live-work uses to avoid repeating the issues that transpired under prior ownership of the Oakland Cannery.*

*Member Armas, Vice-Chair Long, Member Payne, Member Corder and Chair Turner spoke in support of protecting local artists and preserving housing units. Chair Turner then made a motion to :*

- support all three recommendations included on the second page of the letter from Alistair Monroe included in the CRC agenda packet; and*
- agendaize a discussion on how the City can limit the cannabis activities of outside conglomerates.*

*Vice-Chair Long then offered a friendly amendment to the second half of the above motion for the City to consider how to ensure that once a corporation is shut down it cannot come back in the form of a new entity.*

*Chair Turner accepted the friendly amendment and the motion passed by consensus.*

### **3. Draft 2023 Cannabis Operator Regulations**

*Member Minor offered a recap of this item. Public speakers encouraged the CRC to modify the proposed paragraph 38 to allow Oakland cannabis operators to qualify for an annual state license before obtaining approvals from all City departments in light of the sunset of provisional state licenses.*

*Vice-Chair Long noted that there should be both flexibility and clear deadlines for compliance. Member Payne recommended a compliance plan process. Chair Turner made a motion to remove staff's proposed language in paragraph 38 of the draft regulations. Member Payne seconded the motion and it passed by consensus.*

### **4. 2023 Equity Applicant Survey Responses to Date**

*Member Minor provided an overview of survey responses to date. Public speakers noted the impact of burglaries and how most equity businesses have no or few employees. Vice-Chair Long made a motion end the meeting after Item (C)(5). Chair Turner seconded the motion and it passed by consensus.*

### **5. Potential Uses for Oakland's Grant Award of \$1,996,487.50 in California Equity Grant Funding from the Governor's Office of Business and Economic Development (Go-Biz) for Fiscal Year 2022-2023 ("Go-Biz 4")**

*Member Minor gave a summary of the latest Go-Biz grant award and staff's recommendation of distributing the funds via no-interest loans and grants to equity applicants. Public speakers asked if Go-Biz funds could be used to attract more funds and recommended utilizing Go-Biz funds to expand current grant and loan tiers.*

*Chair Turner made a motion to recommend that the City use the latest Go-Biz grant to provide equity businesses with grants and no-interest loans. Vice-Chair Long seconded the motion, however, Member Armas was absent, leaving the CRC without quorum to formally pass the motion.*

### **6. Governor's Office of Business and Economic Development (Go-Biz) Proposed Matching Funds Requirement for Local Jurisdiction's in Fiscal Year 2023-2024 ("Go-Biz 5")**

### **7. 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)*
  - *Details on Proposed Legislative Framework for Next Phase of Cannabis Program (since February 2022)*
  - *Finalize Exit Interview Survey for Withdrawn Applications (since July 2022)*
  - *Establishing Department of Cannabis (since September 2022)*
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## Cannabis Regulatory Commission

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**TO:** Cannabis Regulatory Commission

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

**SUBJECT:** October 2023 Agenda Items

**DATE:** September 29, 2023

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### ITEM C (1) 2023 Annual Report from Revenue Management Bureau on Cannabis Business Taxes

Attached please find the Revenue Management Bureau's 2023 annual report on cannabis business taxes, which includes underlying statistics on Oakland's cannabis businesses that reveal different trends within the industry.

### ITEM C (2) Proposal to Allow Cannabis Cafes, Authorize Equity Loans to Be Converted to Grants, Allow the Transfer of Permits from Equity Applicants to General Applicants, and Increase the Number of Cannabis Special Event Permits at a Location from Twelve to Twenty-Four Per Year

Below please find an overview of a legislative package staff intends on presenting to the City Council in November following discussion at the CRC.

*A. Proposal to Allow Cannabis Cafes*

[Assembly Bill \(AB\) 374](#), currently pending the Governor's signature, will explicitly allow local jurisdictions to authorize cannabis retailers to sell food and host live music in onsite consumption lounges. This will enable cannabis retailers to move beyond a "liquor store" or "pharmacy"

model to a more social environment akin to restaurants and entertainment venues. The cannabis industry has struggled since the legalization of adult use of cannabis due to high taxation and overregulation, including the current prohibition on food and beverage sales at cannabis retailers, which serve no public safety purpose. AB 378 will move the regulated cannabis industry back on track by eliminating this unnecessary prohibition and expanding economic opportunities for cannabis retailers.

Upon the Governor's approval of AB 374, staff recommends that the City Council establish a secondary cannabis café license for retailers similar to the existing secondary onsite consumption permit process under [OMC 5.80.025](#), which requires retailers to undergo a public noticing and hearing process and detail plans to avoid drugged driving. A cannabis café license will allow retailers to sell non-cannabis infused food and beverages as well as host live music. By allowing consumers to purchase food and enjoy live music at cannabis retailers, cannabis dispensaries can serve as communal spaces and attract a broader spectrum of customers. As the City of Oakland emerges from the COVID-19 pandemic, cannabis cafes can provide critical spaces where people can gather, socialize, and re-establish community bonds.

#### *B. Authorize Equity Loans to Be Converted to Grants*

Staff recommends that the City Council amend the loan program for cannabis equity applicants to provide equity applicants with the option of converting unpaid loans into grants. Below please find background on this proposal, which builds on prior discussions with the CRC on the topic of the equity loan program in [November 2021](#) and [March of 2022](#).

When the City of Oakland created its cannabis equity program in 2017, the Oakland City Council adopted a Resolution dedicating the initial \$3 million in new cannabis tax revenue towards a no-interest revolving loan program to provide equity applicants an ongoing source of capital to support their businesses. After collecting this revenue and selecting a consultant to co-design and implement the loan program, the City of Oakland launched the loan program in November 2018. The program features a tiered-based structure to incentivize and support cannabis equity applicants to establish compliant cannabis businesses. Thanks to state grants in 2020-2023 the City has added grant programs and additional funds towards the loan program. When asked in surveys in 2021-2023 whether equity applicants preferred to receive capital in the form of grants, no-interest revolving loans, or both, a majority of equity applicants have consistently replied that they would prefer access to both; this is likely due to the fact that grants do not need to be repaid, while loans are not taxable. More information on both grant and loan programs is available at <https://www.elevateimpactoakland.com/>.

In May 2020 the City launched a loan modification program to assist equity loan borrowers who have become delinquent on their loans. The loan modification program extends the term of loans by 12 months and reduces initial repayments as equity entrepreneurs get their businesses back on track. The goal of the loan modification program is to both acknowledge the financial challenges involved in starting a cannabis business in the regulated marketplace and to ensure that ongoing loan funding is available to equity applicants through loan repayments.

In terms of statistics, to date the City has lent over \$5 million to 73 unique borrowers. In terms of demographics, approximately 81 percent of borrowers identify as African-American, followed by Hispanic at seven percent, Dual/Other at six percent, White at three percent, and Native



American and Vietnamese at slightly over one percent each. As of August 2023, approximately twenty-seven percent of loan borrowers were in compliance, while seventy-three percent of loan borrowers were more than two months behind on loan repayments. That said, equity applicants have repaid over one-million dollars in loans, which the City has recirculated to other equity applicants.

In early 2023 the City surveyed equity applicants on whether and how the City should establish a loan forgiveness program for equity applicants. Seventy-six of responding equity applicants recommended establishing a loan program, virtually all respondents agreed that equity applicants whose loans had been forgiven should still have access to future City funds, and sixty-eight percent responded that all equity applicants should be eligible for loan forgiveness.

In light of the challenges equity applicants have faced in navigating the regulated cannabis industry and the information described above, staff recommends that the City Council amend the City's loan program to provide equity applicants with the option of converting their unpaid loans into grants. This adjustment will eliminate any debt owed to the City that an equity applicant cannot repay and rebalance the City's grant and loan programs, as only loans were available to equity applicants initially. Staff also recommends having no eligibility criteria to qualify for converting loans to grants, such as demonstrating hardship, because such eligibility criteria is subjective and difficult to implement.

To preserve the revolving loan program, which provides a tax-free ongoing source of funding to equity applicants, staff recommends that any loans converted to grants be counted towards an applicant's grant program usage. For example, if an equity applicant received a Tier 3 loan of \$30,000 and elected to convert all of the loan to a grant, this equity applicant would not be eligible for a future Tier 3 grant of \$30,000 but would be eligible for grant Tiers 4-6 provided they meet the requirements of those grant tiers. The intent of this approach is to allow equity applicants that are unable to repay loans to eliminate any City debt, while still supporting the revolving loan program as applicants that repay loans will be eligible for more grant funding than those that convert unpaid loans into grants.

### *C. Allow the Transfer of Permits from Equity Applicants to General Applicants*

The current language around transferring business permits resides in [OMC 5.02.70](#), pasted below for reference:

No permit in this Chapter required shall be transferable, nor apply to any premises other than those originally specified as the location of the thing permitted, except upon written permission of the City Administrator, or other official originally granting such permit, granted upon written application by the transferor, made in the same manner as may be required in the instance of the original application for such permit.

The City has interpreted this language as allowing general applicants to transfer their permits to general or equity businesses that comply with permitting requirements, but prohibit equity applicants from transferring their permits to general applicants, because the equity applicants' status as an equity applicant was a prerequisite to them obtaining their permit in the first instance. While this avoids the flipping of permits from equity to general applicants and undermining the intent of the equity program of providing business ownership opportunities to equity

applicants, it also permanently restricts equity businesses from receiving the financial benefits of selling more than fifty percent of their business to general applicants.

The topic of whether and how to allow equity applicants to transfer their permits has come before the CRC numerous times since 2019. After months of discussion in 2019, the CRC ultimately recommended allowing equity businesses to transfer their permits after three years, the same period as incubation, to provide equity applicants with the choice of keeping or transferring their business at that point. In 2021 CRC members discussed whether to require that as part of any transfer the City is repaid any public funds provided to an equity applicant requesting to transfer their permits to general applicant, such as grants, loans, and fee exemptions. The topic was further agendaized or discussed at the following CRC meetings: January 2021, May 2021, June 2021, July 2021, August 2021, and most recently October 2022.

Finally, in early 2023 the City surveyed equity applicants on the topic of transferring permits. Seventy-one percent of equity applicants responded in favor of the City Council allowing equity applicants to transfer permits to general applicants. In terms of what circumstances a transfer should be allowed, fifty percent of equity applicants responded that equity applicants should only be able to transfer permits one to three years after obtaining their permit, twenty-eight percent responded in favor of whenever an equity applicant wants, and twenty-two percent of respondents recommend the City only allow such a transfer if three or more years have passed since an equity applicant obtained their permit.

In light of the multitude of previous discussions at the CRC, the survey responses from equity applicants, and equity applicants' need for flexibility, staff recommends that the City Council authorize equity applicants to transfer their local authorization status or permit to a general applicant either one year after obtaining a cannabis permit or three years after submitting a cannabis permit application, whichever occurs first. This proposed policy avoids immediate flipping of permits from equity applicants to general applicants, while providing equity applicants with the same options general applicants have to sell their business or take on additional investors in exchange for less ownership interest in their business after an initial period of operation.

#### *D. Increase the Number of Cannabis Special Event Permits at a Location from Twelve to Twenty-Four Per Year*

In parallel with developments in state law, in 2018 the City adopted [OMC 5.80.030](#) to authorize special events that include the sale of cannabis as long as the events comply with state law and the City's special event ordinance, [OMC 9.52](#). To avoid repeated cannabis special events from becoming a de facto dispensary, the City established a limit of twelve cannabis special event permits per year per property, individual or entity in a calendar year. As special events that include cannabis become more common and a means for equity applicants to engage with consumers without the high overhead of a brick and mortar dispensary, staff recommends increasing the number of special events allowed per year from twelve to twenty-four. The City can evaluate this new policy over time and make additional adjustments, including potentially lifting the numeric cap of cannabis special event permits altogether, if the City determines further adjustments are appropriate in the future.

ITEM C (3) 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 has 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 disperse to equity applicants in the coming fiscal year.

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

<b>State Funding Agency</b>	<b>Fiscal Year (FY)</b>	<b>Amount of Funding Received</b>	<b>Oakland's Ranking Among Local Jurisdictions</b>	<b>Total Amount of Funding Available Statewide</b>
BCC <sup>1</sup>	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 is on track to disperse most of the remaining funds in the next month as event and shared-manufacturing grantees are in the final stages of the contracting process.

In terms of workforce development, following discussion at the March 2022 CRC meeting regarding how best to utilize the “Go-Biz 3” grant, the City allocated \$330,357 of these Go-Biz funds towards workforce development programs in the cannabis industry. Subsequently, in the FY 2022-2023 Midcycle Budget the City Council set aside \$1,500,000 towards job training programs for victims of the War on Drugs. To distribute the available funds, staff released a formal Request for Proposal (RFP) for an organization to develop: (i) an equity employee certification training program to establish a pipeline of qualified prospective employees for the regulated cannabis marketplace and (ii) an on-the-job training referral program for equity employees at Oakland cannabis businesses.

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<sup>1</sup> Initially the Bureau of Cannabis Control, the predecessor to the Department of Cannabis Control, dispersed Local Equity Grant funding.

A panel of City staff in the Economic and Workforce Development Department's Special Activity Permits and Workforce Development Divisions reviewed and scored four RFP responses received and found C4C, Inc. (C4C), doing business as Case for Cannabis, as the top scoring recipient to implement the above-described cannabis workforce certification and on the job training programs. Over the next two years, C4C will partner with the Oakland Private Industry Council (OPIC) to recruit and certify equity employees for training through Merritt College and then refer students to paid on the job training opportunities with Oakland cannabis businesses. On July 18th the City Council approved a Resolution to enable this work by authorizing the City to enter into a contract with C4C for this project. For more information please [visit here](#).

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. As a result, staff anticipates dispersing LJAG funds at a greater rate over the next year.

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.

**Figure 1- Local Jurisdiction Assistance Grant**

**LOCAL JURISDICTION ASSISTANCE GRANT - 3 Years**

<b>USES</b>	<b>COST IN ONE YEAR</b>	<b>COST OVER THREE YEARS</b>	<b>DISBURSED</b>	<b>BALANCE</b>
Grants to Provisionally Licensed Equity Applicants	\$547,218.50	\$1,722,655.50	1,275,000.00	\$447,655.50
Special Activity Permit Technician	\$166,810.00	\$500,430.00		\$500,430.00
Planning CEQA Review	\$9,237.00	\$27,710.00		\$27,710.00
Program Analyst for Processing Grants	\$198,640.00	\$595,920.00	43,037.10	\$552,882.90
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	10,263.81	\$1,762,960.19
Overtime for Code Enforcement	\$78,115.80	\$234,347.00	26,807.73	\$207,539.27
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	6,709.73	\$214,570.27
Overtime for Fire Code Enforcement	\$61,824.00	\$185,472.00	8,942.25	\$176,529.75
Overtime for Municipal Code Enforcement Officers for Security Inspections	\$50,000.00	\$150,000.00	28,021.11	\$121,978.89
Annual CPTED Training for Municipal Code Enforcement Officers	\$1,200.00	\$3,600.00	595.00	\$3,005.00
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	1,156,010.71	\$566,644.79
Consultant (4Front Partners) to Administer Loan/Grant Programs	\$160,000.00	\$480,000.00	317,049.89	\$162,950.11
Consultant (Knox & Ross) to Provide Legal Assistance to Equity Applicants	\$125,000.00	\$375,000.00	159,500.00	\$215,500.00
Consultant (Oaksterdam) to Provide Technical Assistance to Equity Applicants	\$125,000.00	\$375,000.00	173,735.00	\$201,265.00
<b>TOTALS</b>	<b>\$3,441,339.80</b>	<b>\$9,905,020.00</b>	<b>\$2,889,402.66</b>	<b>\$7,015,617.34</b>

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

	<b>TOTAL FUNDED</b>	<b>DISBURSED</b>	<b>BALANCE</b>
Grants/Loans to Operators for Start Up and Ongoing Costs	\$2,178,953.10	\$2,178,953.10	\$0
Events	\$300,000.00	\$200,000.00	\$100,000.00
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
Administering of Grant/Loan Programs	\$89,956.36	\$89,956.36	\$0
<b>STAFFING</b>			
Half of City Administrator Analyst	\$122,959.00	\$122,959.00	\$0
<b>TOTALS</b>	<b>\$5,435,140.82</b>	<b>\$5,054,783.82</b>	<b>\$380,357.00</b>

**Figure 3- Original and Current Uses of Proposition 64 Cohort Two Grant**

<b>Original and Proposed/New Uses of Proposition 64 (BSCC) Grant Funds</b>				
<b>Purpose</b>	<b>Original Organization</b>	<b>Original Amount</b>	<b>New or Same Organization</b>	<b>New or Same Amount</b>
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
<b>TOTAL</b>				<b>\$997,694</b>

**Figure 4- Proposition 64 Cohort Three Grant**

<b>USES</b>	<b>YEAR 1 FY 23-24</b>	<b>YEAR 2 FY 24-25</b>	<b>YEAR 3 FY 25-26</b>	<b>YEAR 4 FY 26-27</b>	<b>YEAR 5 FY 27-28</b>	<b>TOTAL</b>
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
<b>TOTAL</b>	<b>\$382,000</b>	<b>\$497,000</b>	<b>\$702,000</b>	<b>\$707,000</b>	<b>\$712,000</b>	<b>\$3,000,000</b>

ITEM F (1) Update on Cannabis Permitting Process

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



**Figure F-1: Application Totals**

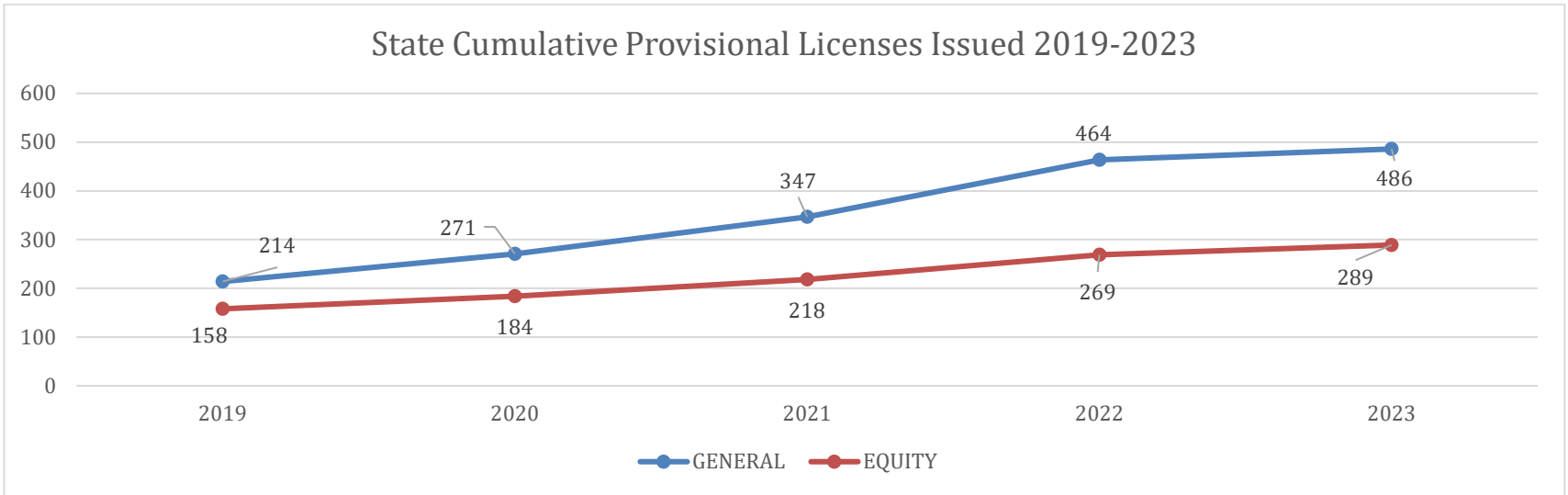
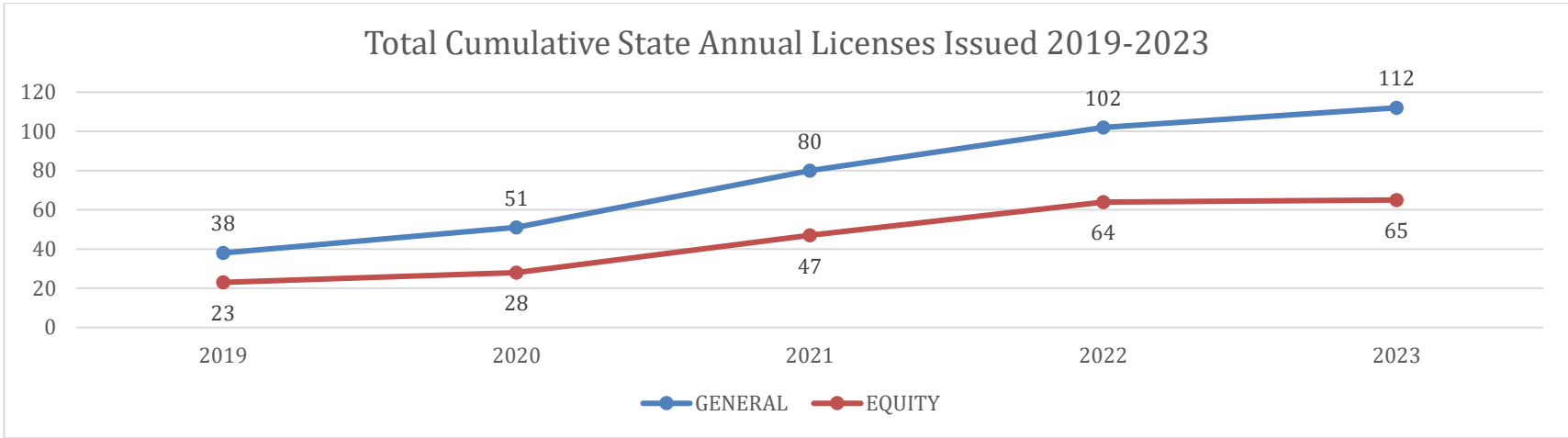
<b><i>APPLICATIONS</i></b>	<b>TOTALS</b>	<b>PENDING</b>
Total Complete & Incomplete Applications	1566	143
Total Complete Applications	1566	
Complete General Applications	666	
Equity Applications based on residency	785	
Equity Applications based on conviction	115	
Incubators	328	
Interested in Incubating	23	
Complete Application with property	1025	
Complete Application without property (Equity)	436	
Complete Applicants without property (General)	105	

**Figure F-2: Permit Applications by Category**

<b>COMPLETED APPLICATIONS BY BUSINESS TYPE</b>	<b>GENERAL</b>	<b>INCUBATOR*</b>	<b>INTERESTED IN INCUBATING*</b>	<b>EQUITY</b>
Delivery	163	49	4	232
Cultivator (Indoor)	208	107	13	148
Cultivator (Outdoor)	5	3	0	36
Distributor	144	77	4	219
Mfg. Volatile	51	47	0	47
Mfg. Non-Volatile	91	43	2	172
Transporter	4	1	0	36
Lab Testing	0	1	0	10
<b>GRAND TOTALS</b>	<b>666</b>	<b>328</b>	<b>23</b>	<b>900</b>

\*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 Category**

	<b>GENERAL</b>	<b>INCUBATOR</b>	<b>EQUITY</b>	<b>TOTAL</b>
<b><i>NEW ANNUAL PERMITS BY BUSINESS TYPE</i></b>				
On-site Consumption	3		3	6
Dispensary	8	1	6	15
Delivery	64	18	82	164
Cultivator (Indoor)	4	6	19	29
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	4	6
Lab Testing	0	0	0	0
<b>GRAND TOTALS</b>	<b>119</b>	<b>68</b>	<b>218</b>	<b>405</b>

**Figure F-5: Withdrawn Applications**

<b>WITHDRAWN APPLICATIONS</b>	<b>GENERAL</b>	<b>INCUBATOR</b>	<b>EQUITY</b>	<b>TOTALS</b>
Delivery	22	38	88	148
Cultivator (Indoor)	18	25	65	108
Cultivator (Outdoor)	14	13	13	40
Distributor	13	53	73	139
Mfg. Volatile	3	19	23	45
Mfg. Non-Volatile	14	29	51	94
Transporter	6	1	16	23
Lab Testing		3	3	6
<b>TOTALS</b>	<b>90</b>	<b>181</b>	<b>332</b>	<b>603</b>

**Figure F-6: Revoked Local Authorization**

<b>REVOKED LOCAL AUTHORIZATION</b>	<b>GENERAL</b>	<b>INCUBATOR</b>	<b>EQUITY</b>	<b>TOTALS</b>
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
<b>TOTALS</b>	<b>7</b>	<b>38</b>	<b>17</b>	<b>62</b>

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

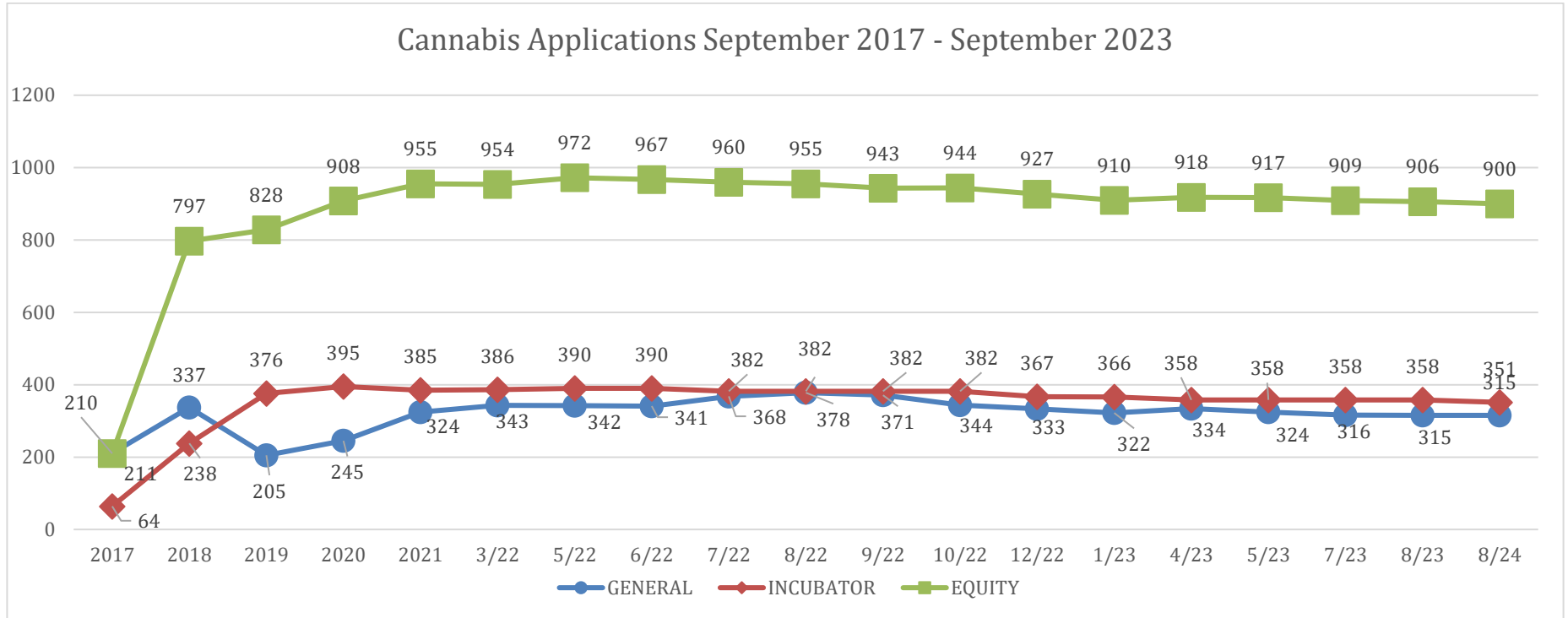
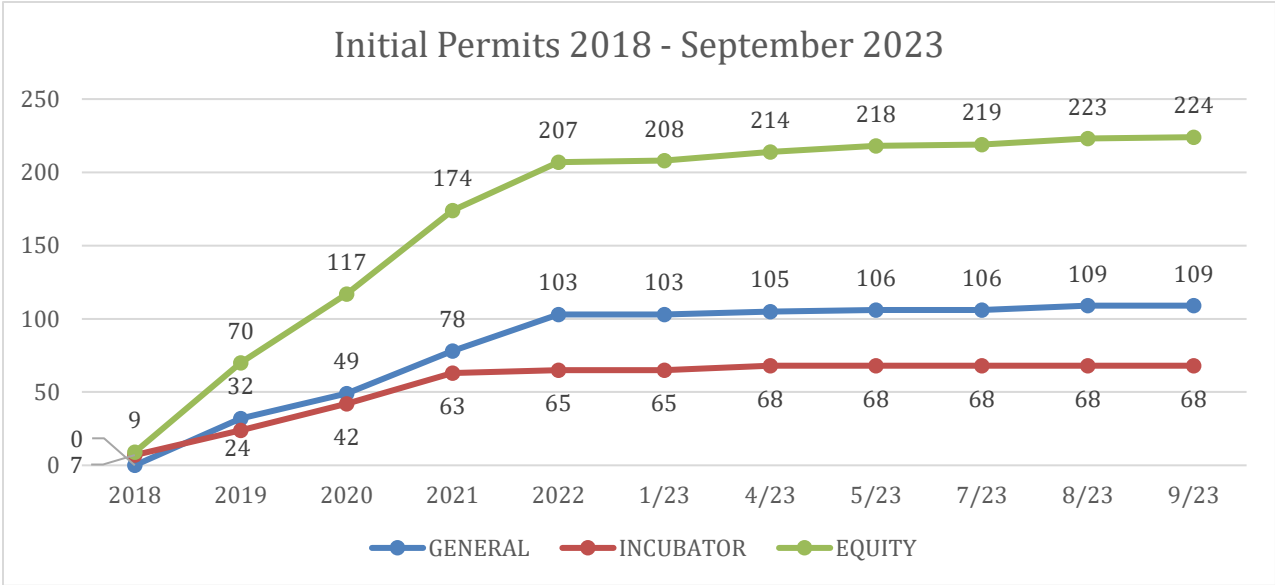
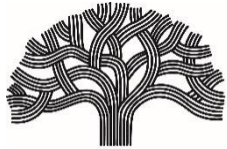


Figure F-8: Graph of Cannabis Permits Issued since 2018





CITY OF OAKLAND

# MEMORANDUM

<b>TO:</b>	Cannabis Regulatory Commission	<b>FROM:</b>	Rogers Agaba, Assistant Revenue & Tax Administrator
<b>SUBJECT:</b>	Cannabis Business Taxes	<b>DATE:</b>	July 28, 2023

### INFORMATION

This annual report provides the Cannabis Regulatory Commission (“CRC”) the unaudited Business Taxes reported directly to the City of Oakland (“City”) and Sales & Use Taxes reported directly to the California Department of Tax & Fee Administration (“CDTFA”) by individuals and businesses engaging in commercial cannabis activities in Oakland.

### **BACKGROUND / LEGISLATIVE HISTORY**

#### Oakland’s Cannabis Regulatory History

The City of Oakland has been a leader in regulating cannabis. After California voters legalized medical cannabis in 1996 via Proposition 215, the City established Oakland Cannabis Buyers Club (“OCBC”) as its medical cannabis provider in 1998 under Oakland Municipal Code (“OMC”) Chapter 8.46. Following the federal closure of OCBC, the City of Oakland enacted OMC Chapter 5.80 in 2004, which established the nation’s first permitting process for medical cannabis dispensaries. In 2011 the City of Oakland expanded the number of available dispensary permits from four to eight and attempted to establish a permitting process for the cultivation of medical cannabis under OMC Chapter 5.81; however, threats of federal intervention and the lack of comprehensive state law prevented any implementation of OMC Chapter 5.81.

After the passage of the Medical Cannabis Regulation and Safety Act (“MCRSA”) in 2015 and the Adult-Use of Marijuana (“AUMA”) or Proposition 64 in 2016, the City of Oakland adopted the nation’s first equity program through amendments to OMC Chapters 5.80 and 5.81 that also legalized the adult-use of cannabis and established a permitting process for the cannabis industry’s entire supply chain in the spring of 2017.

#### Oakland’s Cannabis Taxation History

In July 2009, Oakland voters approved Measure F making Oakland the first City in the nation to impose a tax on (medical) cannabis businesses. Measure F established a tax rate of \$18 per \$1,000, or 1.8 percent, of gross receipts.

In November 2010, Oakland voters approved the 2010 Measure V increasing the tax rate on medical cannabis businesses from 1.8% to five percent (5%) of annual gross receipts and creating a new tax rate of 10 percent (10%) of gross receipts on non-medical cannabis businesses, referred to as adult-use or recreational. The additional 10 percent adult-use tax rate



was put forth in anticipation of Proposition 19, which would have legalized adult use of cannabis in November 2010. Since Proposition 19 failed at the ballot box, Oakland did not implement the adult-use tax rate until January 1, 2018 following the passage of Proposition 64 and City Council’s legalization of adult use in 2017.

In November 2018, Oakland voters approved the 2018 Measure V allowing cannabis businesses to pay business taxes quarterly, cannabis manufacturing and/or cultivation businesses to deduct the value of raw materials from gross receipts in calculating business taxes and authorizing the City Council, without returning to voters, to amend medical or non- medical cannabis business taxes in any manner that does not increase the tax rate.

In December 2019, the Oakland City Council adopted Ordinance No. 13573 C.M.S. amending OMC Title 5, Chapter 5.04, Sections 5.04.480 and 5.04.481 to create a tiered and category-based tax structure for cannabis businesses beginning in 2020 and changing each year for 2021 and 2022 calendar years. Thereafter, the tax rate structure is scheduled to remain the same at the 2022 tax structure unless the City Council makes further changes as authorized in the 2018 Measure V.

In November 2022, the Oakland voters approved the 2022 Measure T repealing and replacing Chapter 5.04 of the Oakland Municipal Code with a new tiered, progressive business tax structure. “Measure T” created a new set of tiered progressive tax rates along with other key changes which became effective on January 1, 2023. The Cannabis Business Tax rates were not affected as the result of the passage of Measure T.

Table 1: 2023 & After Tax Rates

2023 & After Cannabis Business Tax Rates					
	Retail (store-front & delivery)	Indoor Cultivation	Outdoor Cultivation	Manufacturing Packaging & Storage	Distribution
<b>Equity</b>					
\$0 - \$1.5M	0.12%	0.12%	0.12%	0.12%	0.12%
\$1.5M - \$5M	5.00%	5.00%	4.50%	4.50%	3.00%
Over \$5M	5.00% (Non-Marginal)	5.00% Non-Marginal)	5.00%	5.00%	4.00%
<b>General (Non-Equity)</b>					
\$0 - \$750K	0.12%	0.12%	0.12%	0.12%	0.12%
\$750K+ - \$1.5M	4.00%	4.00%	3.50%	3.50%	2.50%
\$1.5M+ = \$5M	5.00%	5.00%	4.50%	4.50%	3.00%
Over \$5M	5.00% (Non-Marginal)	5.00% (Non-Marginal)	5.00%	5.00%	4.00%

Oakland's Cannabis Equity Tax Rebate Program

In addition to the new tiered and category-based tax structure for cannabis businesses in December 2019, the City Council also adopted an Equity Tax Rebate Program for cannabis businesses. The program consists of four different tax rebates totaling nine separate and distinct conditions upon which a cannabis business would be entitled to the rebate of a portion of the taxes paid. The Equity Tax Rebate Program was not affected as the result of the passage of Measure T.

Table 2: 2023 Cannabis Tax Rebate Program

2023 CANNABIS BUSINESS TAX REBATE PROGRAMS			
Rebate Program	Rebate Conditions	Qualifying Period	Rebate Amount
Local Hiring Rebate (5.04.481.B.2.a.)	i. 30% of workforce consists of "Equity Employees"	182 Days	0.50%
	II. 25% of workforce consists of Equity Employees in "Essential Roles"	182 Days	0.50%
	III. 20% of workforce consists of Equity Employees in "Managerial Roles"	182 Days	0.50%
Equity Supply Chain (5.04.481.B.2.b.)	I. 30% of value of cannabis products delivered to the business were delivered by an Equity Businesses	365 Days	0.50%
	II. 25% of value of cannabis products delivered to the businesses were originally cultivated or manufactured by an Equity Business	365 Days	0.50%
Workforce Quality of Life (5.04.481.B.2.c.)	I. \$20/hr. with health benefits <u>or</u> \$25/hr. without health benefits for all employees employed	365 Days	0.50%
	II. 80% of total employees are full-time employees	365 Days	0.25%
Incubation (5.04.481.B.2.d.)	I. Provide free rent to Equity Business beyond the initial three-year period	Year 4th	0.5% - 1.50%*
	II. Provide free rent to Equity Business in the tax year but does not seek "permitting priority"	365 Days	0.5% - 1.50%*
	* Incubation Rebate Amount is based on 2021 total gross receipts: Less than \$2M = 1.5%; Up to \$7.5M = 1%; Greater than \$7.5M but less than \$12.5M = 0.5%; Greater than \$12.5M = no rebate.		
IMPORTANT NOTE: In no case will a business be entitled to any rebates that would reduce the overall tax rate of less than 2.5% for 2023 Tax Year or 2022 Tax Year for those cannabis businesses established in 2022; In other words, a cannabis business would be subject to pay the floor/minimum tax rate of 2.5% regardless of the number or the amount of the tax rebates.			

### California Sales & Use Tax

Sales and Use Tax applies to the retail sale or use of “tangible personal property.” The total sales tax percentage in the City of Oakland is 10.25% meaning on a \$1 taxable purchase, the sales tax paid is 10.25 cents. The City receives 1% of the total sales, meaning the City receives 1 cent on a \$1 purchase. The remaining 9.25% is allocated to the state and local taxing districts.

### California Cannabis Excise Taxes

The passage of Proposition 64 created two new State cannabis taxes. The tax rates for 2023 are:

1. A 15 percent excise tax imposed upon the purchasers of cannabis and cannabis products.
2. According to the CDTFA<sup>1</sup>, “Beginning July 1, 2022, the cultivation tax no longer applies to cannabis or cannabis products entering the commercial market.”

## **CANNABIS BUSINESS TAX REVENUE & STATISTICS**

Table 3 summarizes the reported cannabis business tax revenue for the calendar years 2015-2022 and the latest reported revenue for the current calendar year 2023.

Table 3: Cannabis Business Tax Revenue

<b>Tax Year</b>	<b>Number of Business</b>	<b>Revenue</b>
2023	266	\$5.64 million <sup>2</sup>
2022	259	\$7.92 million
2021	187	\$13.47 million
2020	252	\$8.89 million
2019	195	\$12.85 million
2018	139	\$8.07 million
2017	85	\$7.48 million
2016	77	\$4.64 million
2015	70	\$3.61 million

### General Statistics:

The following general statistics are intended to provide the CRC a snapshot of key information as of the date of this report. Certain statistics for prior years, such as the number of retailers vs. non-retailers, equity vs. non-equity businesses, are not available because the tax rates were fixed prior to 2019 tax year regardless of the type of operation or activity. The tax rates applicable to individual activity or segment of the cannabis industry (store front, delivery, cultivation, manufacturing, distribution, etc.) did not become effective until 2020. For businesses engaging in multiple activities, such as those grouped under Micro-business, the applicable tax is the tax rate that produces the highest amount of the taxes owed based on the

<sup>1</sup> Source: <https://www.cdtfa.ca.gov/formspubs/L856.pdf>

<sup>2</sup> Through July 24, 2023: Total \$5.64M (Paid = \$2.63 million: Outstanding Balance = \$3.01 million)

total gross receipts generated by the business without respect to the portion of gross receipts generated from any particular taxable activity (Oakland Municipal Code § 5.04.480.C).

Table 4: Retail vs. Non-Retail Operation

Tax Year	Retail	Non-Retail	Total
2023	121	145	266
2022	127	132	259
2021	93	94	187
2020	112	140	252
2019	73	122	195

Table 5: Equity vs. Non-Equity Operation

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

Table 6: Payment Plan vs. Non-Payment Plan

Tax Year	Payment Plan	Non-Payment Plan	Total
2023	33	233	266
2022	40	219	259
2021	30	157	187
2020	42	210	252
2019	57	138	195

Table 7: Business by Gross Receipts and Percentage of Reported Revenue

Gross Receipts	2019		2020		2021		2022		2023	
	No. of Business	Percentage of Revenue	No. of Business	Percentage of Revenue	No. of Business	Percentage of Revenue	No. of Business	Percentage of Revenue	No. of Business	Percentage of Revenue
Up to \$500K	151	7.75%	195	8.94%	115	6.72%	165	0.33%	176	0.49%
\$500K+ - \$1.5M	19	15.40%	27	8.88%	35	13.26%	51	4.66%	55	4.57%
\$1.5M+ - \$5M	18	29.92%	26	39.46%	26	29.01%	32	33.42%	28	35.36%
Over \$5M	7	46.93%	4	42.72%	11	51.01%	11	61.59%	7	59.59%
<b>Total</b>	<b>195</b>	<b>100%</b>	<b>252</b>	<b>100%</b>	<b>187</b>	<b>100%</b>	<b>253</b>	<b>100%</b>	<b>266</b>	<b>100%</b>

## SALES & USE TAX REVENUE

*Table 8: Adjusted Sales Tax reported to the CDTFA*

<b>Calendar Year</b>	<b>Number of Business</b>	<b>Revenue</b>
2023 <sup>3</sup>	99	\$423,000 <sup>4</sup>
2022	124	\$1.35 million
2021	103	\$1.54 million
2020	103	\$1.56 million
2019	121	\$1.30 million
2018	79	\$1.16 million

*Table 9: Reported number of Employees*

<b>Calendar Year</b>	<b>Full Time</b>	<b>Part Time</b>	<b>Total Employees</b>
2023	1818	424	2242
2022	2094	287	2381

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<sup>3</sup> There is an interval of time lag of approximately 2 – 2 ½ months from the close of the quarter to the date the City receives the Sales & Use Tax data. For example, the City expects to receive the sales tax data for the second quarter 2023 (April-June 2023) in August 2023. The time lag represents the interval needed for filers to prepare their returns and remit their payments to the CDTFA, and for the CDTFA to process returns and prepare the data for the City.

<sup>4</sup> From January 1, 2023 through March 31, 2023

Table 10: Annual Gross Receipts Tax Years (2018 – 2023)

Year	2018	2019	2020	2021	2022	2023
Equity	N/A	N/A	\$21,141,465.27	\$35,974,745.13	\$37,803,609.10	\$37,609,413.12
General	N/A	N/A	\$152,193,969.69	\$235,610,581.28	\$207,113,784.78	\$163,441,215.46
Total Gross Receipts	\$171,546,992.15	\$165,351,330.15	\$173,335,434.96	\$271,585,326.41	\$244,917,393.88	\$201,050,628.58

Table 11: Equity Cannabis Gross Receipts by Activity (2020 – 2023)

Equity Business	2020			2021			2022			2023		
	No. of business	Total Gross Receipts	Average Gross Receipts	No. of business	Total Gross Receipts	Average Gross Receipts	No. of business	Total Gross Receipts	Average Gross Receipts	No. of business	Total Gross Receipts	Average Gross Receipts
Retail	44	\$19,476,090.16	\$902,851.51	38	\$24,221,032.76	\$2,732,820.88	47	\$22,612,021.65	\$732,643.69	41	\$24,710,178.92	\$602,687.29
Indoor Cultivation	8	\$169,262.99	\$5,289.47	14	\$2,879,508.58	\$477,908.64	14	\$2,455,154.00	\$537,299.29	14	\$4,763,305.81	\$340,236.13
Outdoor Cultivation	0	\$0.00	\$0.00	0	\$0.00	\$0.00	0	\$0.00	\$0.00	0	\$0.00	\$0.00
Manufacturing	5	\$0.00	\$0.00	11	\$1,699,036.67	\$397,444.65	19	\$3,686,342.49	\$776,582.21	17	\$2,474,189.19	\$145,540.54
Distribution	24	\$1,041,583.12	\$10,849.83	12	\$3,048,013.82	\$227,366.57	17	\$2,721,496.74	\$250,898.42	14	\$2,388,487.07	\$170,606.22
Micro-business	3	\$454,529.00	\$37,877.39	19	\$4,127,153.30	\$662,749.03	18	\$6,328,594.22	\$877,402.91	20	\$3,273,252.13	\$163,662.61
Total	84	\$21,141,465.27		94	\$35,974,745.13		115	\$37,803,609.10		106	\$37,609,413.12	

**Table 12: General Cannabis Gross Receipts by Activity (2020 – 2023)**

General Business	2020			2021			2022			2023		
	No. of business	Total Gross Receipts	Average Gross Receipts	No. of business	Total Gross Receipts	Average Gross Receipts	No. of business	Total Gross Receipts	Average Gross Receipts	No. of business	Total Gross Receipts	Average Gross Receipts
Retail	70	\$83,001,443.64	\$4,130,348.89	59	\$139,280,304.77	\$3,859,870.21	58	\$114,588,282.50	\$3,460,412.86	58	\$65,854,042.78	\$1,135,414.53
Indoor Cultivation	31	\$15,260,122.08	\$974,366.71	34	\$44,462,812.01	\$2,776,361.97	41	\$38,158,778.58	\$2,254,026.79	53	\$50,193,953.97	\$947,055.74
Outdoor Cultivation	0	\$0.00	\$0.00	0	\$0.00	\$0.00	0	\$0.00	\$0.00	0	\$0.00	\$0.00
Manufacturing	25	\$12,270,412.93	\$1,129,569.29	18	\$9,884,469.23	\$1,219,128.89	24	\$14,468,329.56	\$1,122,505.62	19	\$12,777,799.25	\$672,515.75
Distribution	36	\$26,323,038.59	\$951,131.63	29	\$20,351,761.86	\$2,117,523.67	15	\$16,401,492.31	\$2,674,659.38	19	\$25,360,291.38	\$1,334,752.18
Micro-business	13	\$15,338,952.45	\$2,686,589.01	13	\$21,631,233.41	\$4,458,398.73	23	\$23,496,901.83	\$3,248,223.87	11	\$9,255,128.08	\$841,375.28
Total	175	\$152,193,969.69		153	\$235,610,581.28		161	\$207,113,784.78		160	\$163,441,215.46	

**Table 13: Year-Over-Year (“YOY”) Changes Annual Gross Receipts (2020 – 2023)**

Business Type	2020	2021	YOY Change (in \$)	YOY Change (in %)	2022	YOY Change (in \$)	YOY Change (in %)	2023	YOY Change (in \$)	YOY Change (in %)
	Total Gross Receipts	Total Gross Receipts			Total Gross Receipts			Total Gross Receipts		
Equity	\$21,141,465.27	\$35,974,745.13	\$14,833,279.86	70.16%	\$37,803,609.10	\$1,828,863.97	5.08%	\$37,609,413.12	-\$194,195.98	-0.51%
General	\$152,193,969.69	\$235,610,581.28	\$83,416,611.59	54.81%	\$207,113,784.78	-\$28,496,796.50	-12.09%	\$163,441,215.46	-\$43,672,569.32	-21.09%
Total	\$173,335,434.96	\$271,585,326.41	\$98,249,891.45		\$244,917,393.88	-\$26,667,932.53		\$201,050,628.58	-\$43,866,765.30	

**Table 14: Year-Over-Year (“YOY”) Changes by Activity - Retail Gross Receipts (2020 – 2023)**

Retail	2020	2021	YOY Change (in \$)	YOY Change (in %)	2022	YOY Change (in \$)	YOY Change (in %)	2023	YOY Change (in \$)	YOY Change (in %)
	Total Gross Receipts	Total Gross Receipts			Total Gross Receipts			Total Gross Receipts		
Equity	\$19,476,090.16	\$24,221,032.76	\$4,744,942.60	24.36%	\$22,612,021.65	-\$1,609,011.11	-6.64%	\$24,710,178.92	\$2,098,157.27	9.28%
General	\$83,001,443.64	\$139,280,304.77	\$56,278,861.13	67.80%	\$114,588,282.50	-\$24,692,022.27	-17.73%	\$65,854,042.78	-\$48,734,239.72	-42.53%
Total	\$102,477,533.80	\$163,501,337.53	\$61,023,803.73		\$137,200,304.15	-\$26,301,033.38		\$90,564,221.70	-\$46,636,082.45	

**Table 15: Year-Over-Year (“YOY”) Changes by Activity - Indoor Cultivation Gross Receipts (2020 – 2023)**

Indoor Cultivation	2020	2021	YOY Change (in \$)	YOY Change (in %)	2022	YOY Change (in \$)	YOY Change (in %)	2023	YOY Change (in \$)	YOY Change (in %)
	Total Gross Receipts	Total Gross Receipts			Total Gross Receipts			Total Gross Receipts		
Equity	\$169,262.99	\$2,879,508.58	\$2,710,245.59	1601.20%	\$2,455,154.00	-\$424,354.58	-14.74%	\$4,763,305.81	\$2,308,151.81	94.01%
General	\$15,260,122.08	\$44,462,812.01	\$29,202,689.93	191.37%	\$38,158,778.58	-\$6,304,033.43	-14.18%	\$50,193,953.97	\$12,035,175.39	31.54%
Total	\$15,429,385.07	\$47,342,320.59	\$31,912,935.52		\$40,613,932.58	-\$6,728,388.01		\$54,957,259.78	\$14,343,327.20	

**Table 16: Year-Over-Year (“YOY”) Changes by Activity - Manufacturing Gross Receipts (2020 – 2023)**

Manufacturing	2020	2021	YOY Change (in \$)	YOY Change (in %)	2022	YOY Change (in \$)	YOY Change (in %)	2023	YOY Change (in \$)	YOY Change (in %)
	Total Gross Receipts	Total Gross Receipts			Total Gross Receipts			Total Gross Receipts		
Equity	\$0.00	\$1,699,036.67	\$1,699,036.67	NA	\$3,686,342.49	\$1,987,305.82	116.97%	\$2,474,189.19	-\$1,212,153.30	-32.88%
General	\$12,270,412.93	\$9,884,469.23	-\$2,385,943.70	-19.44%	\$14,468,329.56	\$4,583,860.33	46.37%	\$12,777,799.25	-\$1,690,530.31	-11.68%
Total	\$12,270,412.93	\$11,583,505.90	-\$686,907.03		\$18,154,672.05	\$6,571,166.15		\$15,251,988.44	-\$2,902,683.61	



***Table 17: Year-Over-Year (“YOY”) Changes by Activity - Distribution Gross Receipts (2020 – 2023)***

Distribution	2020	2021	YOY Change (in \$)	YOY Change (in %)	2022	YOY Change (in \$)	YOY Change (in %)	2023	YOY Change (in \$)	YOY Change (in %)
	Total Gross Receipts	Total Gross Receipts			Total Gross Receipts			Total Gross Receipts		
Equity	\$1,041,583.12	\$3,048,013.82	\$2,006,430.70	192.63%	\$2,721,496.74	-\$326,517.08	-10.71%	\$2,388,487.07	-\$333,009.67	-12.24%
General	\$26,323,038.59	\$20,351,761.86	-\$5,971,276.73	-22.68%	\$16,401,492.31	-\$3,950,269.55	-19.41%	\$25,360,291.38	\$8,958,799.07	54.62%
Total	\$27,364,621.71	\$23,399,775.68	-\$3,964,846.03		\$19,122,989.05	-\$4,276,786.63		\$27,748,778.45	\$8,625,789.40	

***Table 18: Year-Over-Year (“YOY”) Changes by Activity - Micro-business Gross Receipts (2020 – 2023)***

Micro-business	2020	2021	YOY Change (in \$)	YOY Change (in %)	2022	YOY Change (in \$)	YOY Change (in %)	2023	YOY Change (in \$)	YOY Change (in %)
	Total Gross Receipts	Total Gross Receipts			Total Gross Receipts			Total Gross Receipts		
Equity	\$454,529.00	\$4,127,153.30	\$3,672,624.30	808.01%	\$6,328,594.22	\$2,201,440.92	53.34%	\$3,273,252.13	-\$3,055,342.09	-48.28%
General	\$15,338,952.45	\$21,631,233.41	\$6,292,280.96	41.02%	\$23,496,901.83	\$1,865,668.42	8.62%	\$9,255,128.08	-\$14,241,773.75	-60.61%
Total	\$15,793,481.45	\$25,758,386.71	\$9,964,905.26		\$29,825,496.05	\$4,067,109.34		\$12,528,380.21	-\$17,297,115.84	

Staff will be available to speak to the information provided herein at the August 3, 2023 CRC meeting. For questions regarding this report, please contact Nicole Andrino, Tax Auditor II, (510) 238-6767.

Respectfully submitted,



Rogers Agaba [Jul 27, 2023 14:19 PDT]

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Rogers Agaba  
Assistant Revenue and Tax Administrator  
Finance Department