

Cannabis Regulatory Commission

Regular Meeting

Thursday, July 5th, 6:30 p.m.
Council Chambers, City Hall, One Frank H. Ogawa Plaza

AGENDA

Members:

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

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

MEETING AGENDA

- A. Roll Call and Determination of Quorum
- B. Open Forum / Public Comment
- C. Review of the Pending List and Additions to Next Month's Agenda
 - *Medical cannabis permitting process (since July 2017)*
 - *Use of cannabis tax revenues (since July 2017)*
 - *Annual report (since September 2017)*
 - *Onsite consumption/lounges (since October 2017)*
 - *Event permitting (since December 2017)*
 - *Dispensary applicant runner-ups (since December 2017)*
 - *OPD updated training bulletin (since March 2018)*
- D. Approval of the Draft Minutes from the Cannabis Regulatory Commission meeting of June 2018.
- E. Reports for Discussion and Possible Action
 1. Oakland Police Department Report on Citations and Arrests for 2017 Cannabis Offenses
 2. Building and Fire Department Cannabis Permit Processes
 3. Outstanding Items on Pending List
 - a. Medical Cannabis Permitting Process
 - i. Added to pending list in July of 2017 in response to City's initiation of permit process in May 2017 for entire cannabis supply chain. Considering this is an

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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.

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ongoing process, may be more appropriate to move to the Announcements section of the agenda.

- b. Use of Cannabis Tax Revenue
 - i. Commission discussed issue in January 2018 and expressed interest in playing a role in overseeing use of cannabis tax revenue but commission's actual authority on this issue was not clear. Report from City Attorney's Office can clarify this issue.
 - c. Annual Report
 - i. Enabling Ordinance 12694 specifies that an annual report will be presented in writing to the City Council, however, the Commission's last report to the City Council Public Safety Committee was in January 2016.
 - d. Onsite Consumption/Lounges
 - i. Topic has been of concern to the Commission for several years, including prior to City Council establishing an onsite consumption permit for permitted dispensaries in 2016 and state law authorizing cannabis consumption via permitted retailers and special events.
 - e. Event Permitting
 - i. Commission discussed topic in December 2017 at which point members concluded more discussion was needed on the topic and to add the topic to the pending list.
 - f. Dispensary Runner Ups
 - i. Topic emerged in December 2017 during a discussion regarding the 2017-2018 dispensary permit process as to how the City may approach those who applied but were not selected to operate a dispensary in 2017 but are interested in applying in the future. Staff is still in the process of implementing and evaluating the 2017-2018 dispensary permit process and has not determined precisely how the next dispensary permit process will unfold. Consequently, it is not clear how the City will approach those 2017-2018 dispensary permit applicant runner ups.
 - g. OPD Updated Training Bulletin
 - i. In its March 2018 presentation, OPD representatives mentioned they are in the process of updating their cannabis training materials and offered to present the materials to the commission once drafted.
4. Two Additional Proposed Clean-Up Amendments to Cannabis Ordinances OMC 5.80 and 5.81 from the Office of the City Administrator:
- a. Allow Ancillary Cannabis Activities, Including but Not Limited to Packaging, Distribution and Infusion, at the Site of a Permitted Dispensary; and
 - b. Add a Public Hearing Requirement for Any Cannabis Use Within 300 Feet of a Residential Zone

F. Announcements

- 1. Update on Cannabis Permit Process
- 2. Update on Cannabis Technical and Financial Assistance Consultant(s)

G. Adjournment

Cannabis Regulatory Commission

Regular Meeting

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

MINUTES

Members:

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

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MEETING AGENDA

A. Roll Call and Determination of Quorum

Present: Martin, Yi, Knox, Shim, Hummel, Johnson, Tucker, Minor
Absent: Floyd-Johnson, Parker

B. Open Forum / Public Comment

One speaker spoke regarding escalating real estate prices in the industrial sector because of the cannabis industry and its impact on non-cannabis operators. Cannabis equity applicants also spoke regarding the difficulty of finding space to operate their business due to the high cost of real estate.

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

- *Medical cannabis permitting process (since July 2017)*
- *Use of cannabis tax revenues (since July 2017)*
- *Annual report (since September 2017)*
- *Cannabis advertising (since September 2017)*
- *Onsite consumption/lounges (since October 2017)*
- *Microbusinesses (since October 2017)*
- *Cannabis tax rates (since November 2017)*
- *Event permitting (since December 2017)*
- *Dispensary applicant runner-ups (since December 2017)*
- *OPD 2017 enforcement report (since June 2018)*
- *OPD updated training bulletin (since June 2018)*

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Member Yi asked to add cannabis waste to the pending list. Member Tucker urged the commission to clean up the pending list by placing the pending items on the agenda for review and action. Member Tucker then made a motion for a synopsis for each pending item and for them to be agendized as action items. Member Floyd-Johnson seconded and the motion passed by consensus with Members Shim and Minor abstaining.

Chair Hummel suggested removing tax rates from the pending list. Member Yi suggested removing microbusiness and advertising as well. Member Yi made this a motion, seconded by Member Knox and it passed by consensus with Member Minor abstaining.

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

Member Tucker moved to accept the May minutes as drafted, Member Knox seconded the motion and it passed by consensus with Member Minor abstaining.

E. Reports for Discussion and Possible Action

1. Councilmember Kaplan and Office of the Mayor's Proposed Ordinance Amendments:
 - a. Ordinance Amending Oakland Municipal Code (OMC) Chapter 5.81 by: (A) Limiting Indoor Cannabis Cultivation Permits to Premises that Have Been Vacant for at Least One Year and/or Greenhouses; (B) Extending the Initial Permitting Phase of the Equity Program for Indoor Cultivation Approvals and Permits; and (C) Requiring Council to Evaluate These Amendments One Year After Enactment and/or after Completion of a Study on the Impact of the Cannabis Industry on Oakland's Industrial Sector.
 - b. Directing the City Administrator to: (A) Study Additional, Non-Residential Eligible Sites that Could be Used for the Construction and/or Operation of Cannabis Cultivation Greenhouses; and (B) Study Possible Locations for Cannabis Edible Production Outside of the Areas Where Such Use is Permitted Under OMC Chapter 5.81, Subject To Appropriate Design Standards; and (C) Return to City Council with the Results of Such Evaluation.

Kelley Kahn of the Mayor's Office provided an overview of the proposal and its intent to promote a balanced and resilient industrial sector. Laura Holtan of Councilmember Kaplan's Office offered background on the desire to promote edible and greenhouse production in the City.

Members of the public expressed support for the proposals and their consideration of industries other than cannabis, particularly those who cannot compete with cannabis operators for real estate.

Commission members expressed some support for the proposal but recommended the proposal target only large cannabis businesses. Member Shim made a motion to support the proposal with an 8-month sunset date and application to only cannabis operators using 10,000 square feet or more for their business. Member Knox seconded and the motion passed with Member Yi opposing and Members Martin, Tucker, and Minor abstaining.

2. Office of the City Administrator's Proposed Clean-Up Amendments to Cannabis Ordinances OMC 5.80 and 5.81:
 - a. Sunset Non-Enforcement for Cannabis Permit Applicants
 - b. Align with State License Categories by Adding Packaging and Infusion Permits
 - c. Limit Number of Dispensary Permits An Individual or Entity May Have An Interest In

d. Clarify the Distance between Cannabis Facilities and Other Uses As Path of Travel
Member Minor provided an overview of the proposed clean up amendments, including an additional amendment to limit the annual number of cannabis related special events per person or location. Members debated whether to support the sunseting of the non-enforcement provision. Member Knox made a motion to support all of the CAO's proposed amendments as long as the non-enforcement provision was extended until 2019 for existing applicants and 2020 for new applications. Member Shim seconded the motion and it passed by consensus with Member Minor abstaining.

3. Compassion Program

Member Shim discussed Senator Weiner's SB 829 and made a motion for the City to support the bill and for the City to forgo taxes on compassion programs. Member Tucker seconded the proposal and it passed by consensus with Member Minor abstaining.

4. Cannabis Advertising Restrictions

Member Yi discussed latest state regulations as they relate to cannabis advertising and how they restrict but do not ban cannabis advertising. Member Yi made a motion for the City to adopt state advertising laws, Member Shim seconded the motion and it passed by consensus with Member Minor abstaining.

5. Pending State Cannabis Legislation

Members Yi, Floyd-Johnson and Martin have formed a subcommittee to track pending state cannabis legislation and offered to continue to update the commission.

6. Expanding Permitted Areas for Cannabis Activities.

Item skipped due to extensive related discussion under Item number one.

F. Announcements

G. Adjournment



MEMORANDUM

TO: Cannabis Regulatory Committee

FROM: Oakland Police

SUBJECT: Citations and Arrests for Marijuana Offenses 2017

DATE: June 25, 2018

Background

The Oakland Cannabis Regulation and Revenue Ordinance (aka Measure Z), passed with the support of 65 percent of Oakland voters on November 2, 2004. The ordinance became effective on December 7, 2004. Measure Z provides that the City of Oakland make the enforcement of laws related to the private adult cannabis (marijuana) use, distribution, sale, cultivation and possession, the City's lowest law enforcement priority.

Measure Z does not change state law, which regulates medical and recreational cannabis use, or federal law, which prohibits cannabis use. The Oakland Police Department (OPD) maintains the discretion to continue law enforcement activities related to private adult cannabis offenses. Measure Z does not apply to minors, and thus does not mandate OPD to treat cannabis offenses committed by minors (possession, distribution, or consumption) as a low priority.

In 2005, the Office of the City Attorney (OCA) defined private adult cannabis offenses that are covered by the lowest law enforcement policy as those that occur on private property and in a setting that is not in public. "Private" does not include commercial settings such as cafes, markets, retail outlets, cabarets or on City owned or leased property. The City Council amended the ordinance to include this definition of "private."

2017 Marijuana Citations & Arrests

In 2017, OPD issued 15 citations for possession of less than one ounce of marijuana under Section 11357(b) H&S (Health and Safety Code) (See Table 1 below), which equates to a 92 percent decrease from 2016. Approximately 38 percent of incidents involved vehicle stops for traffic violations where marijuana was observed or found after the stop. A majority of the remaining incidents involved walking stops where persons were observed with marijuana in a public place.

Table 1: 2017 11357(B) Citations by Sex and Race

Race	Male	Fem	Total	Percent
African American	6	3	9	60%
Asian	1	0	1	7%
Hispanic	4	0	4	27%
White	1	0	1	7%
Other	0	0	0	0%
Total	12	3	15	100%

Cannabis Regulatory Committee

Citations and Arrests for Marijuana Offenses - 2017

Date: June 25, 2018

The number of citations dropped by 78 percent per month (from an average of 18 per month to an average of four per month) upon passage California Proposition 64 passed in November 2016.

In 2017, OPD made six arrests for possession of more than one ounce of marijuana under Section 11357(c) H&S.

In 2017, the Oakland Police Department's Homicide Section investigated 72 deaths that were classified as homicides per Federal Bureau of Investigation (FBI) Uniform Crime Report (UCR) guidelines. The motive in four of these murders involved marijuana.

In 2017, OPD made two arrests for marijuana cultivation (Section 11358 H&S). Both of the arrests were from the same case and a firearm was recovered. Arrests for the sale of marijuana decreased nearly 61 percent from 286 in 2016 to 112 in 2017. Arrests involving the sale and transportation of marijuana decreased 85 percent from 52 in 2016 to 8 in 2017. Police beats 20X and 15X had the highest number of arrests at 10 and nine, respectively. Beats 10X, 26Y, 30X, and 34X each had six arrests per beat. Tables 2 through 4 below provide an overview of marijuana arrests by statute, sex/race and police beat.

Table 2: 2008 to 2017 Marijuana Arrests for Calendar Years

Statute	2008	2009	2010	2011	2012
Cultivation - 11358 H&S	29	37	58	8	24
Possession for Sales - 11359 H&S	618	571	517	275	192
Sales/Transportation - 11360(A) H&S	164	128	136	29	33
Total	811	736	711	312	249
Statute	2013	2014	2015	2016	2017
Cultivation - 11358 H&S	1	9	21	17	2
Possession for Sales - 11359 H&S	180	238	267	286	112
Sales/Transportation - 11360(A) H&S	55	94	43	52	8
Total	236	341	331	355	122

Table 3: 2017 Marijuana Arrests by Sex & Race

Statute	African American		Asian		Hispanic		White		Other		Total
	Male	Fem	Male	Fem	Male	Fem	Male	Fem	Male	Fem	
11358 H&S	0	0	1	0	1	0	0	0	0	0	2
11359 H&S	70	0	6	1	25	0	5	1	4	0	112
11360(A) H&S	3	0	2	0	3	0	0	0	0	0	8
Total	73	0	9	1	29	0	5	1	4	0	122

Table 4: Marijuana Arrests by Beat

Beat	Arrests	Beat	Arrests	Beat	Arrests	Beat	Arrests
20X	10	27Y	4	04X	2	18Y	1
15X	9	30Y	4	05X	2	21Y	1
19X	6	02X	3	05Y	2	24Y	1
26Y	6	03X	3	06X	2	27X	1
30X	6	07X	3	08X	2	29X	1
34X	6	10Y	3	18X	2	31Z	1
17X	5	26X	3	35X	2	77X	1
31Y	5	32Y	3	01X	1		
32X	5	33X	3	13Y	1		
21X	4	99X	3	14X	1		
23X	4	02Y	2	17Y	1		
Total	66	Total	34	Total	18	Total	7

/s/

Roland Holmgren
Captain of Police