

Thursday, August 13, 2020, 6:30 pm
Teleconference Meeting

AGENDA

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

PUBLIC PARTICIPATION INSTRUCTIONS

TO OBSERVE:

- To observe the meeting by video conference, please click the link below to join the webinar:
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TO PROVIDE PUBLIC COMMENT: There are three ways to make public comment within the time allotted for public comment on an eligible Agenda item.

- Comment in advance. To send your comment to staff 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. All submitted public comment will be provided to the Cannabis Regulatory Commission prior to the meeting.
- 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."

Persons may speak on any item appearing on the agenda; however, a Speaker Card must be filled out and given to a representative of the Cannabis Regulatory Commission. Multiple agenda items cannot be listed on one speaker card. If a speaker signs up to speak on multiple items listed on the agenda, the Chairperson may rule that the speaker be given an appropriate allocation of time to address all issues at one time (cumulative) before the items are called. All speakers will be allotted 3 minutes or less – unless the Chairperson allots additional time.

♿ This meeting is wheelchair accessible. In compliance with the Americans with Disabilities Act, if you need special assistance to participate in the meetings of the Cannabis Regulatory Commission, please contact the Office of the City Clerk (510) 238-3612. Notification two full business days prior to the meeting will enable the City of Oakland to make reasonable arrangements to ensure accessibility. In compliance with Oakland's policy for people with chemical sensitivities, please refrain from wearing strongly scented products to events.

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

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Members:

Lanese Martin	District 1	Frank Tucker	District 7
Tracey Corder	District 2	Chaney Turner	At Large
Vacant	District 3	Stephanie Floyd-Johnson	Mayor
Debby Goldsberry	District 4	Tiyanna Long	City Auditor
Claudia Mercado	District 5	Greg Minor	City Administrator
Joshua Chase	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. Open Forum / Public Comment
- C. Review of the Pending List and Additions to Next Month’s Agenda
 - *Shared drive regarding cannabis robberies and burglaries (since February 2020)*
 - *Annual Report from Oakland Police Department*
 - *Annual Report from Revenue Management Bureau (since July 2020)*
 - *Enforcement re Seshes (since July 2020)*
 - *Updated Parliamentary Procedures (since July 2020)*
 - *Cybersecurity best practices (since July 2020)*
- D. Approval of the Draft Minutes from the Regular CRC meeting on July 2, 2020
- E. Reports for Discussion and Possible Action
 - 1. East Bay Municipal Utility District (EBMUD) Permitting Process for Cannabis Operators
 - 2. Draft Annual CRC Report for 2019 and How the CRC Can Communicate with the City Council
 - 3. Revisiting Cannabis Business Tax Rate
 - 4. Creation of a Department of Cannabis
 - 5. Continued Discussion re Impact of Covid-19 on the Cannabis Industry
 - 6. Electing a New Chair and Vice-Chair
- F. Announcements
 - 1. Update on Cannabis Permitting Process
- G. Adjournment

Thursday, July 2, 2020, 6:30 pm
Teleconference Meeting

MINUTES

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Chang Yi	District 2	Vacant	At Large
Vacant	District 3	Stephanie Floyd-Johnson	Mayor
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Claudia Mercado	District 5	Greg Minor	City Administrator
Joshua Chase	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: Martin, Goldsberry, Mercado, Chase, Turner, Floyd-Johnson, Long, Minor
Absent: Yi, Tucker

B. Open Forum / Public Comment

Public speakers spoke in support of recently launched emergency grant program for equity applicants and raised concerns re potential criminal activity against cannabis businesses during the July 4th weekend.

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

- *Cannabis Regulatory Commission 2019 Annual Report (since February 2020)*
- *Shared drive regarding cannabis robberies and burglaries (since February 2020)*

Member Minor mentioned that OPD’s annual report should be available in the coming months and that East Bay Municipal Utility District representatives could be available at the next CRC meeting. Vice-Chair Martin moved to have EBMUD present at next month’s meeting. Member Goldsberry seconded the motion and it passed by consensus.

Vice-Chair Martin moved to agendize how the CRC can directly communicate with the City Council. Member Goldsberry seconded the motion and it passed by consensus.

D. Approval of the Draft Minutes from the Regular CRC meeting on June 4, 2020 and the Special CRC meeting on June 11, 2020.

Member Floyd-Johnson moved to approve the minutes as drafted. Member Long seconded the motion and it

passed by consensus.

E. Reports for Discussion and Possible Action
1. Parliamentary Procedures

Vice-Chair Martin moved to hear Item E(2) before Item E(1). Member Floyd-Johnson seconded the motion and it passed by consensus.

Vice-Chair Martin provided context for the item then made a motion to recommend staff work with the City Attorney's Office to codify the process for discussing items and to bring back proposed changes to the CRC at a future meeting. Member Floyd-Johnson seconded the motion and it passed by consensus.

2. Agencies listed on the City of Oakland cannabis permit inspection card.

Inspector Rodrigo Jacomet provided an overview of the Building Bureau's permitting process, followed by Inspectors Miguel Villanueva and Sheryl Skillern's overview of the Fire Prevention Bureau's permitting process.

Public speakers asked if the Building and Fire Prevention Bureaus' powerpoints would be available online, whether fire sprinklers are necessary for cultivation operations employing few people, whether certain manufacturing operations qualify as volatile.

Member Floyd-Johnson asked if there was a way to require fire sprinklers in all commercial and industrial properties to put the burden on property owners to bear this cost. Fire prevention staff replied no, it depends on the activity, and property owners and tenants share the responsibility.

Member Mercado asked what are the City's odor mitigation requirements. Member Jacomet replied that it must be done by a licensed engineer. Member Long asked where operators can find building and fire permitting requirements. Member Minor referred to the Building and Fire Prevention Bureau Permitting Procedures available at <https://www.oaklandca.gov/topics/cannabis-permits>.

Last, Member Long and Vice-Chair Martin asked about shared-use facilities.

3. Updated Assessment of Equity Program

Member Minor and Vice-Chair Martin provided background on this project and the work done thus far by the Updated Assessment subcommittee, as well as the draft outline for the public and CRC's consideration.

A public speaker encouraged the assessment to examine why some operators have given up and to do a survey of equity operators.

Vice-Chair Martin encouraged equity operators to stay engaged with this process and to also keep in mind that running a business and a cannabis business is difficult in general. Member Floyd-Johnson recommended including the impact of Covid-19 and recent burglaries in the updated assessment.

Vice-Chair Martin then made a motion to incorporate Member Floyd-Johnson's recommendation, to change the title of 3A in the draft outline to an analysis of Oakland's industry overall as opposed to equity, and to request an annual report from the Revenue Management Bureau on taxes paid by cannabis businesses. Member Floyd-Johnson seconded the motion and it passed by consensus.

4. Continued Discussion re Impact of Covid-19 on the Cannabis Industry

Member Goldsberry moved to continue this item to the next CRC meeting. Vice-Chair Martin seconded the motion and it passed by consensus.

5. Enforcement re Seshes

Vice-Chair Martin moved to place this item on the pending list. Member Floyd-Johnson seconded the motion and it passed by consensus.

6. Continued discussion of recent burglaries of cannabis businesses and recommendations for the City Administration and City Council to support impacted businesses.

Member Minor provided an update since the last meeting. Member Goldsberry describing ongoing communication with OPD.

Public speakers spoke regarding having a concealed carry permit as a deterrent and the need to warn people regarding potential burglaries of cannabis facilities this coming Fourth of July weekend.

Member Long urged OPD to take action this coming weekend. Member Mercado mentioned that operators who were burglarized in months/years prior felt left out of recent discussions. Member Mercado was also interested in knowing about security firms owned by women or people of color.

Member Goldsberry emphasized reducing the cannabis business tax rate to provide operators with the financial resources to fortify their businesses better. Member Goldsberry made a motion to revisit the cannabis business tax rate at the next CRC meeting. Member Floyd-Johnson seconded the motion and it passed by consensus.

Vice-Chair Martin and Member Minor discussed recent surveys of burglarized cannabis businesses and how some operators may be reluctant to fill surveys after being burglarized.

F. Announcements

1. Update on Cannabis Permitting Process
2. Updates to Equity Grant Program

Member Minor provided updates, including the recently launched grant programs for equity applicants.

Members then discussed security concerns for this coming weekend and how the City should warn operators. Member Floyd-Johnson made a motion to ask that the City Administrator's Office coordinate with the Oakland Police Department to notify cannabis businesses of potential crimes against cannabis businesses this coming weekend. Vice-Chair Martin seconded the motion and it passed by consensus.

Member Long then made a motion to agendize the creation of a Department of Cannabis. Member Floyd-Johnson seconded the motion and it passed by consensus. Member Mercado then made a motion to agendize a discussion regarding cybersecurity best practices. Vice-Chair Martin seconded the motion and it passed by consensus.

G. Adjournment



Cannabis Regulatory Commission

TO: Cannabis Regulatory Commission

FROM: Greg Minor
Assistant to the City
Administrator

SUBJECT: July Agenda Items

DATE: August 2, 2020

ITEM E (1) East Bay Municipal Utility District (EBMUD) Permitting Process for Cannabis Operators

The CRC added the agencies listed on the City of Oakland's cannabis permit inspection card to the CRC's pending list in February 2020. The item was moved by Member Goldsberry and seconded by Member-Floyd Johnson. Last month representatives from the Bureaus of Building and Fire Prevention provided an overview of their permitting processes and answered related questions. This month a representative from EBMUD will provide an overview of their process and be available for questions.

Please find attached a powerpoint presentation from EBMUD.

ITEM E (2) Draft Annual CRC Report for 2019 and How the CRC Can Communicate with the City Council

Measure Z requires the CRC to report annually to the City Council on the implementation of Measure Z. Attached is a draft Annual report for 2019 based on the minutes of 2019 CRC meetings. Once the CRC finalizes the report it will be provided to the City Council.

At last month's meeting Vice-Chair Martin moved to agendaize how the CRC can directly communicate with the City Council. Member Goldsberry seconded the motion and it passed by consensus. Accordingly, this topic has been combined with the annual report item.

ITEM E (3) Revisiting Cannabis Business Tax Rate

At last month's CRC meeting Member Goldsberry made a motion to revisit the City's cannabis business tax rates at the next meeting. Member Floyd-Johnson seconded the motion and it passed by consensus.

ITEM E (4) Creation of a Department of Cannabis

At last month's CRC meeting Member Long made a motion to agendaize the creation of a Department of Cannabis. Member Floyd-Johnson seconded the motion and it passed by consensus.

ITEM E (5) Continued Discussion re Impact of Covid-19 on the Cannabis Industry

This item was initially discussed at the May 2020 CRC meeting and continued to the June 4th CRC. This item was continued again at the June 4th and July 2nd CRC meetings for the next regularly scheduled CRC meeting.

ITEM E (6) Electing a New Chair and Vice-Chair

The CRC needs to elect a Chair and Vice-Chair who will serve for one-year terms.

ITEM F (1) Update on Cannabis Permitting Process

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

Figure 1: Application Totals

APPLICATIONS	TOTALS	PENDING
Total Complete & Incomplete Applications	1490	111
Total Complete Applications	1490	
Complete General Applications	606	
Equity Applications based on residency	758	
Equity Applications based on conviction	125	
Incubators	385	
Interested in Incubating	23	
Complete Application with property	1054	
Complete Application without property (Equity)	367	
Complete Applicants without property (General)	68	

Figure 2: Permit Applications by Category

COMPLETED APPLICATIONS BY BUSINESS TYPE	GENERAL	INCUBATOR*	INTERESTED IN INCUBATING*	EQUITY
Delivery	144	65	4	232
Cultivator (Indoor)	150	96	13	136
Cultivator (Outdoor)	5	4	0	38
Distributor	142	103	4	218
Mfg. Volatile	60	50	0	46
Mfg. Non-Volatile	97	60	2	164
Transporter	5	4	0	40
Lab Testing	3	3	0	10
GRAND TOTALS	606	385	23	884
		*These numbers are part of the General Total		

Figure 3: Operators Locally Authorized for Provisional or Annual State License by Category

LOCALLY AUTHORIZED FOR STATE *ANNUAL/PROVISIONAL LICENSES*	GENERAL	INCUBATOR	EQUITY	
Delivery	24	44	114	
Cultivator	3	69	42	
Distributor	6	70	88	
Mfg. Volatile	5	29	6	
Mfg. Non-Volatile	20	70	87	
Transporter	0	1	5	
Lab Testing	0	2	2	
Retailers	3	1	3	
TOTALS:	61	286	347	695
*These figures represent those who have actually applied with the state for their provisional/annual license. There are additional applicants who are locally authorized, but who have not yet applied with the state.				

Figure 4: New Permits Issued to Cannabis Operators Since Spring of 2017 by Category

	GENERAL NOT INCUBATING	INCUBATOR	EQUITY	TOTAL
<i>NEW ANNUAL PERMITS BY BUSINESS TYPE</i>				
Dispensary		1	2	3
Delivery	49	14	71	134
Cultivator (Indoor)	2	3	4	9
Cultivator (Outdoor)	0	0	0	0
Distributor	10	20	32	64
Mfg. Volatile	0	3	0	3
Mfg. Non-Volatile	2	6	23	31
Transporter	1	0	5	6
Lab Testing	0	0	0	0
SUB TOTALS	64	47	139	250
GRAND TOTALS	64	48	141	253

Figure 5: Withdrawn Applications

WITHDRAWN APPLICATIONS	GENERAL	INCUBATOR	EQUITY	TOTALS
Delivery	9	18	30	57
Cultivator (Indoor)	3	13	32	48
Cultivator (Outdoor)	17	11	10	38
Distributor	3	27	31	61
Mfg. Volatile	2	11	18	31
Mfg. Non-Volatile	6	10	17	33
Transporter	5	1	15	21
Lab Testing		2	3	5
TOTALS	45	93	156	294

Figure 6: Revoked Local Authorization

REVOKED LOCAL AUTHORIZATION	GENERAL	INCUBATOR	EQUITY	TOTALS
Delivery	1	6	6	13
Cultivator (Indoor)	1	9	2	12
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	3	27	13	43

Figure 7: Graph of Cannabis Permit Applications Received Since 2017

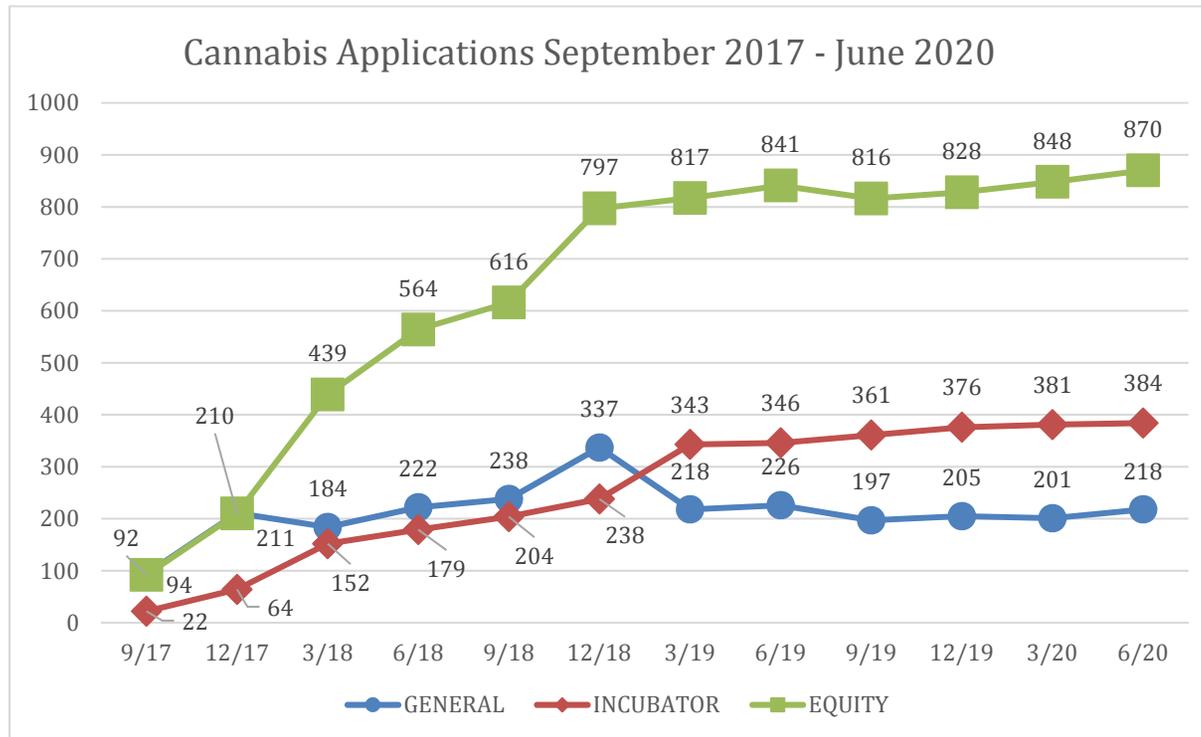
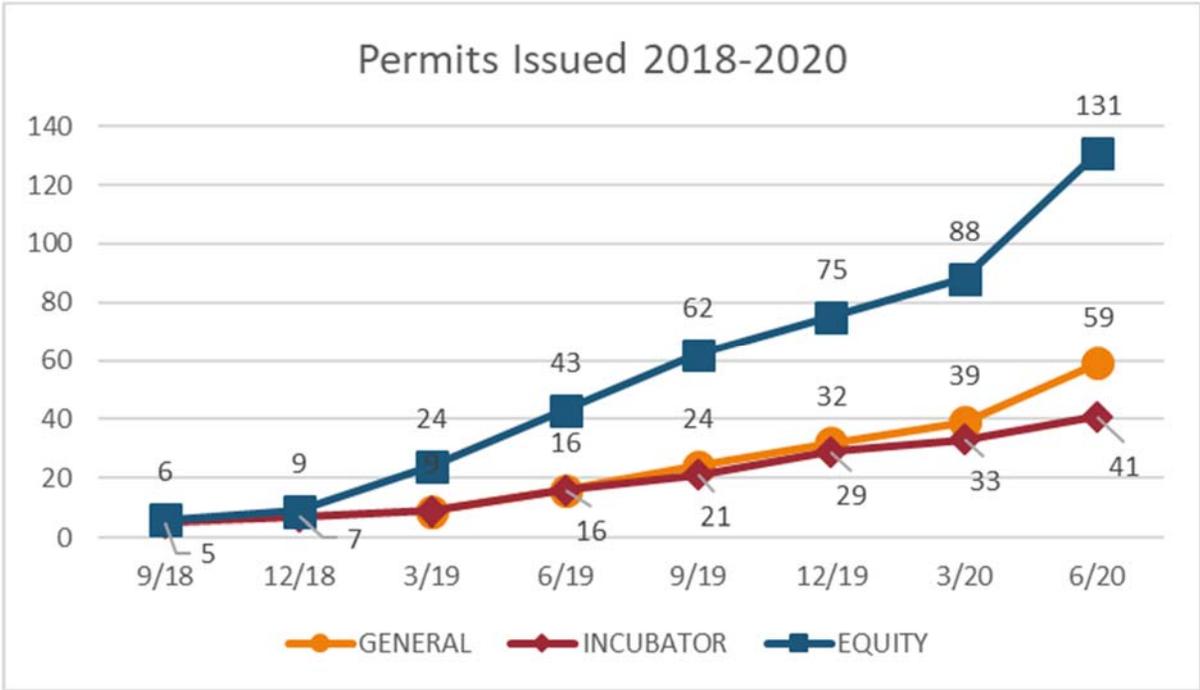


Figure 8: Graph of Cannabis Permits Issued Since 2017





Cannabis Businesses - EBMUD

City of Oakland – Cannabis Commission

Thursday, August 6, 2020

Adam Kern, EBMUD

Agenda



- Steps in process to obtain City of Oakland Permit card sign-off
- Wastewater Discharge Permitting
- Q&A

Step 1: New Business Office



- Applications and information for new or expansion of water/fire service can be found at <https://wsa.ebmud.com/>
- Contact New Business Office with any questions when applying for new service or expansion of an existing service at (510) 287-1008 or nbo@ebmud.com
- Existing services can take approximately 4-6 weeks, new or upgraded water service can take 4-6 months from receipt of a complete application, start early
- Connection Fees, Meter Installation (if needed), System Capacity Charges may apply

The screenshot shows the EBMUD website's 'New meter installation' page. The header includes the EBMUD logo, navigation links (CONTACT US, JOBS, BUSINESS CENTER, SITE MAP, STORE), a search bar, and a 'Sign in' link. The main content area features a large image of a water meter with the text 'New meter installation' overlaid. Below the image, there is a breadcrumb trail: 'Home / Customers / New meter installation'. The main text explains that EBMUD's infrastructure is designed for businesses and residents, and provides instructions on how to request service. A prominent button labeled 'Apply for new water service online here' is visible. On the right side, there is a 'Your account' menu with various options like 'Start or stop service', 'Billing questions', and 'New meter installation'.

Step 2: EBMUD Wastewater Discharge Permit and BMPs



Wastewater Discharge

- Applications and information for wastewater discharge permits can be found at www.ebmud.com/cannabis
- Contact Industrial Discharge Section at (510) 287-1651 or email cleanbay@ebmud.com

The screenshot shows the EBMUD website page for Cannabis facilities. The page has a dark blue header with the EBMUD logo and navigation links. The main content area is white with a blue wavy background for the title. The page includes a breadcrumb trail, a paragraph of text, a list of documents, and contact information.

Sign in | 0 Items

CONTACT US JOBS BUSINESS CENTER SITE MAP STORE

Search EBMUD

EAST BAY MUNICIPAL UTILITY DISTRICT

Customers Water Wastewater Recreation About us

Cannabis facilities

Home / Wastewater / Commercial waste / Commercial pollution prevention / Cannabis facilities > Cannabis facilities

EBMUD is working with cannabis businesses to safely reduce the discharge of pollutants to community sewers and ultimately to the San Francisco Bay.

EBMUD requires all cannabis businesses operating within the District's wastewater service area whose operations include **cultivation, manufacturing extraction and edible production** to submit a completed wastewater discharge permit application. Please reference the documents below including the Best Management Practices for Cannabis Businesses.

Applicants must also file a completed Water Service Application form with EBMUD's New Business Office.

Contact

Phone: 510-287-1651
Email: Cleanbay@ebmud.com

Document	Type	Size
Cannabis Wastewater Discharge Permit Application	PDF	<1 MB
Best Management Practices for Cannabis Facilities	PDF	<1 MB

Which Cannabis Businesses Need to submit a Wastewater Discharge Permit Application?



- Categories being reviewed for wastewater discharge permit needs:
 - Cultivation
 - Manufacturing - Extraction
 - Manufacturing - Edibles
- Wastewater discharge permit application not required:
 - Dispensaries
 - Delivery or distributor services

Contact Us



EBMUD Headquarters

375 11th Street
Oakland, CA 94607

www.ebmud.com

Service	Phone	Email
Wastewater Permit	(510) 287-1651	cleanbay@ebmud.com
New Water Service	(510) 287-1008	nbo@ebmud.com

**CITY OF OAKLAND CANNABIS REGULATORY COMMISSION
2019 ANNUAL REPORT**

To: Oakland City Council Community Economic Development Committee
From: Cannabis Regulatory Commission
Re: 2019 Annual Report
Date: July 29, 2020

Members: Lanese Martin, Vice-Chair, District 1; Tracey Corder, District 2; Debby Goldsberry, District 4; Claudia Mercado, District 5; Joshua Chase, District 6; Frank Tucker, District 7; Chaney Turner, At Large; Stephanie Floyd-Johnson, Mayor; Greg Minor, City Administrator.

I. INTRODUCTION

In 2019 the Cannabis Regulatory Commission (CRC) continued to engage in policy discussions around the transition of the cannabis industry into the regulated marketplace and the development of the City of Oakland's Equity Program. Below is a summary of the CRC's 2019 activities and outstanding issues for the City Council's consideration.

II. CANNABIS REGULATORY COMMISSION COMPOSITION AND ATTENDANCE

The CRC's membership has continued to evolve. With seven new members, more than half of the CRC's current members are different than the CRC members in January 2019.

The CRC lacked quorum at four of its meetings in 2019 and a fifth meeting was cancelled due to the July 4th holiday. Since transitioning new members and filling all but one vacancy, though, the CRC has not lacked quorum thus far in 2020.

III. CANNABIS REGULATORY COMMISSION 2019 RECOMMENDATIONS

In 2019 the CRC made several recommendations that were adopted by the City Administration and codified by City Council. At the same time, some of the CRC recommendations have not yet been adopted and remain unresolved as described below.

a. 2019 Adopted Recommendations

Below is a summary of the CRC's 2019 recommendations that were adopted by the City Administration and City Council.

i. Use of State Grant Funds

In 2019 the CRC held multiple discussions regarding how the City should utilize state grant funds that became available under Senate Bill (SB) 1294 to support the City's Equity Program. The CRC's recommendations on utilizing these state funds towards revolving loans that cover equity applicants' state licensing fees, supporting shared-use manufacturing spaces, workforce development, and ongoing technical assistance were adopted by the City Administration and City Council.

ii. Reducing Cannabis Tax Rates

Likewise, the CRC held multiple discussions around lowering the business tax rates on cannabis businesses. While the new rates adopted by the City Council in December of 2019 were not as low as the CRC's recommendations (see discussion in section below), the City Council did ultimately lower the tax rates for cannabis businesses.

iii. Changes to Dispensary Permit Process

The CRC also made recommendations regarding the City's dispensary permit application and process that were adopted by the City Administration. For example, to address an issue that arose from the 2018 dispensary permit application process the CRC recommended requiring a dispensary permit applicant finalize its lease or purchase of a property within 90 days of receiving conditional approval at a public hearing in order to ensure they are moving forward with their dispensary project. Similarly, the CRC made recommendations on which questions on dispensary permit application deserved more weight than others. Both recommendations were adopted by the City Administration.

iv. Updated Equity Assessment

Finally, in 2019 the CRC recommended conducting an updated assessment of the City's Equity Program based on recommendations developed by an equity assessment subcommittee. Staff has been meeting with the subcommittee for several months and together have drafted an outline for an updated assessment that will hopefully be completed by the end of this year after data is collected from cannabis operators and information is gathered from other relevant industries.

b. Recommendations Not Yet Adopted

Below the CRC has highlighted outstanding issues for the City Council's consideration.

i. Use of Cannabis Tax Revenue

At the March 2019 CRC meeting, the CRC moved that the City Council apportion a significant portion of cannabis tax revenue received towards helping victims of the war on drugs by (1) continuing the equity program and (2) community reinvestment, including workforce development programs. Currently, all cannabis tax revenue goes towards the City's general fund, other than an initial \$3 million collected between 2017-2018 that City Council allocated towards the no-interest revolving loan fund for equity operators.

ii. Cannabis Tax Rate

While the City Council did lower the cannabis business tax rates, the CRC has recommended that the City adopt even lower rates. Specifically, the CRC recommended in 2019 that the City of Oakland tax all cannabis distributors at the same rate as non-cannabis businesses and all other cannabis operations at zero percent if their annual gross receipts are less than \$1 million, 0.75 percent if their annual receipts are between \$1 and \$2 million, and 1.5 percent for annual receipts over \$2 million.

iii. Quarterly vs. Annual Reporting to City Council

The CRC is also interested in ensuring the City Council stays informed about discussions taking place at the CRC and has recommended reporting quarterly to the City Council as opposed to annually as prescribed in the underlying Measure Z. More frequent reporting regarding the CRC could assist the City Council in staying abreast to the constant evolution of the regulated cannabis marketplace during the first years of adult use legalization.

iv. Authorizing Permit Transfer for Equity Businesses

Lastly the CRC recommended in 2019 that the City of Oakland amend its statutory restrictions on the transferring of permits to allow equity cannabis businesses to transfer their permits to non-equity businesses provided at least three years have transpired. This change would allow equity applicants with the flexibility to sell their business if they so choose and take advantage of the value of their business after three years. This three-year period coincides with the incubation period and would avoid undermining the intent of the equity program, which could transpire if the City allowed immediate

transfers of permits from equity to non-equity businesses. Staff is in agreement with this recommendation as well.

Respectfully submitted,

Chair
Cannabis Regulatory Commission

Vice-Chair
Cannabis Regulatory Commission

Attachments:

A: Text of Measure Z

DRAFT