

Thursday, January 6, 2022, 6:30 pm  
Teleconference Meeting

## AGENDA

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.

### **PUBLIC PARTICIPATION INSTRUCTIONS**

#### **TO OBSERVE:**

- To observe the meeting by video conference, please click the link below to join the webinar:  
<https://us02web.zoom.us/j/83455653445>
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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](mailto: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."

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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.

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**Members:**

Vacant	District 1	Frank Tucker	District 7
Tracey Corder	District 2	Chaney Turner	At Large
Austin Stevenson	District 3	Stephanie Floyd-Johnson	Mayor
Lauren Payne	District 4	TiYanna Long	City Auditor
Vacant	District 5	Greg Minor	City Administrator
Vacant	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 Regular CRC Meeting on December 2, 2021
- 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
  - 2. Cannabis Industry Security Assessment
  - 3. Implementation Update on Current State Grants
- D. Review of the Pending List and Additions to Next Month’s Agenda
  - *Staffing/Costing of a Department of Cannabis (since January 2021)*
  - *Follow Up Questions re Revenue Management Bureau Report (since June 2021)*
- E. Open Forum / Public Comment
- F. Announcements
  - 1. Update on Cannabis Permitting Process
  - 2. Apply to serve on CRC here:  
<https://oakland.granicus.com/boards/w/8552f8c4c0e15460/boards/6697>
- G. Adjournment

Thursday, December 2, 2021, 6:30 pm  
Teleconference Meeting

## MINUTES

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## MEETING AGENDA

A. Roll Call and Determination of Quorum

*Present: Corder, Stevenson, Payne, Turner, Floyd-Johnson, Long, and Minor*  
*Absent: Tucker*

B. Approval of the Draft Minutes from the Regular CRC Meetings on October 7, 2021 and November 4, 2021.

*Member Floyd-Johnson made a motion to approve with a change to fifth paragraph in November minutes to reflect Vice Chair Long’s status as Vice Chair. Chair Turner 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 Floyd-Johnson made a motion to approve the Resolution as drafted. Member Payne seconded the motion and it passed by consensus.*

2. Burglaries of Cannabis Businesses and Related Security Issues

*Member Minor provided an update regarding the availability of grants for equity owned businesses burglarized in 2021 and mentioned potential state grant opportunities to further support impacted businesses. Lieutenant Jeff Thomason from the Oakland Police Department (OPD) Support Operations Division provided a summary*

*of burglaries against cannabis businesses the weekend before Thanksgiving and the other calls for service OPD received at the same time.*

*Public comment emphasized that small cannabis businesses were impacted by recent burglaries and robberies, cannabis businesses need tax relief, neighbors of cannabis businesses do not feel safe, OPD needs to respond faster and take this more seriously, OPD needs to have a cannabis focused unit, and that there is an overall increase of violence in the areas where cannabis businesses are located.*

*Member Payne lamented OPD's response time. Chair Turner asked about the demographic of those arrested and questioned the lack of communication from OPD.*

*Chief Armstrong then spoke regarding OPD's lack of officers.*

*Member Floyd-Johnson referenced the broken windows theory. Member Corder noted that nothing happens in a vacuum and asked what can we do outside of the police department and what amount of funding is needed to prevent these burglary caravans happening in the future. Member Stevenson mentioned his experience being robbed at gunpoint and questioned whether there has been a resource assessment to protect the cannabis industry. Member Floyd-Johnson asked about what technologies could assist with deterring burglaries.*

*Member Stevenson then made a motion to have City staff conduct a resource assessment of how much funding it would take to prevent caravans from burglarizing cannabis facilities, from a law enforcement, private security and technological perspective. Member Floyd-Johnson offered a friendly amendment to have the assessment include recommendations over time. The motion passed with Members Turner, Corder, Floyd-Johnson, and Stevenson voting in favor, Member Payne voting against, and Vice-Chair Long and Member Minor abstaining.*

*Chair Turner then noted that the State of California has a role to play. Chair Turner then made a motion that the City ask the State of California to provide burglarized cannabis businesses with relief through grants and additional funding. Member Payne seconded the motion and it passed by consensus.*

### 3. Emerald New Deal Proposed Ballot Initiative

*Charles Reed and Gamila Abdelhalim from In Advance provided an overview of the Emerald New Deal (END). Mr. Reed emphasized the need to reinvest in our communities; people do not feel invested in currently. The END would create an Office of Cannabis and an Oversight Committee that would implement a plan to re-invest cannabis tax revenues into those communities disproportionately impacted by the War on Drugs.*

*Public speakers expressed support for community reinvestment but wanted to ensure existing Equity Program infrastructure remain in place, voiced caution around high taxation, and the need for police.*

*Member Floyd-Johnson agreed that taxes on cannabis businesses should be lowered. Members Payne and Corder emphasized that public safety comes from prevention and investment, not law enforcement. Vice Chair Long thanked In Advance for the presentation and their efforts to get to the root cause of hopelessness through community reinvestment but noted that cannabis revenues cannot solve everything. Vice Chair Long emphasized that the implementation needs to be thought through. Chair Turner echoed both the importance of community reinvestment and ensuring a healthy cannabis industry.*

*Mr. Reed noted that END does not establish or change the cannabis tax rate and he encouraged people to visit their website: <https://www.emeraldnewdeal.org/> Ms. Abdelhalim stated that they have invested two years on this effort and that the CRC should not reject the END right away.*

*Chair Turner then made a motion to extend the meeting for a half hour. Member Floyd-Johnson seconded the motion and it passed by consensus.*

#### 4. Develop Onsite Consumption Regulations

*Member Minor provided background on the item and asked whether CRC recommended allowing for smoking onsite. Members of the public encouraged allowing for smoking, not having a limit on the licenses and allowing for consumption lounges outside of industrial areas.*

*Member Minor asked whether the 600-foot buffer between dispensaries should also apply to onsite consumption lounges or if the City should allow for clustering of lounges.*

*Member Floyd-Johnson then made a motion for the CRC to submit language to the City Council to license cannabis consumption lounges with no buffer requirement between lounges and allow for smoking onsite. Chair Turner seconded the motion and it passed by consensus.*

#### 5. Implementation Update on Current BCC and Go-Biz Grants

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

- *Staffing/Costing of a Department of Cannabis (since January 2021)*
- *Follow Up Questions re Revenue Management Bureau Report (since June 2021)*

##### E. Open Forum / Public Comment

*Public speakers spoke regarding allowing of smoking and asked about how to obtain an onsite consumption permit and transfer permits from equity applicants to non-equity applicants.*

##### F. Announcements

1. Update on Cannabis Permitting Process
2. Apply to serve on CRC here:  
<https://oakland.granicus.com/boards/w/8552f8c4c0e15460/boards/6697>
3. Following the recommendation of the CRC, the City Administration will postpone collections for six months for equity loan borrowers in need while staff conducts an analysis of the loan program and whether to propose related legislation to the City Council.

##### G. Adjournment

# OAKLAND CANNABIS REGULATORY COMMISSION

## RESOLUTION NO. 2021-4

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**ADOPT A RESOLUTION DETERMINING THAT CONDUCTING IN-PERSON MEETINGS OF THE CANNABIS REGULATORY COMMISSION AND ITS COMMITTEES 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.**

**WHEREAS**, on March 4, 2020, Governor Gavin Newsom declared a state of emergency related to COVID-19, pursuant to Government Code Section 8625, and such declaration has not been lifted or rescinded. See <https://www.gov.ca.gov/wp-content/uploads/2020/03/3.4.20-Coronavirus-SOE-Proclamation.pdf>; and

**WHEREAS**, on March 9, 2020, the City Administrator in their capacity as the Director of the Emergency Operations Center (EOC), issued a proclamation of local emergency due to the spread of COVID-19 in Oakland, and on March 12, 2020, the City Council passed Resolution No. 88075 C.M.S. ratifying the proclamation of local emergency pursuant to Oakland Municipal Code (O.M.C.) section 8.50.050(C); and

**WHEREAS**, City Council Resolution No. 88075 remains in full force and effect to date; and

**WHEREAS**, the Centers for Disease Control (CDC) recommends physical distancing of at least six (6) feet whenever possible, avoiding crowds, and avoiding spaces that do not offer fresh air from the outdoors, particularly for people who are not fully vaccinated or who are at higher risk of getting very sick from COVID-19. See <https://www.cdc.gov/coronavirus/2019-ncov/prevent-getting-sick/prevention.html>; and

**WHEREAS**, the CDC recommends that people who live with unvaccinated people avoid activities that make physical distancing hard. See <https://www.cdc.gov/coronavirus/2019-ncov/your-health/about-covid-19/caring-for-children/families.html>; and

**WHEREAS**, the CDC recommends that older adults limit in-person interactions as much as possible, particularly when indoors. See <https://www.cdc.gov/aging/covid19/covid19-older-adults.html>; and

**WHEREAS**, the CDC, the California Department of Public Health, and the Alameda County Public Health Department all recommend that people experiencing COVID-19 symptoms stay home. See <https://www.cdc.gov/coronavirus/2019-ncov/if-you-are-sick/steps-when-sick.html>; and

**WHEREAS**, persons without symptoms may be able to spread the COVID-19 virus. See <https://www.cdc.gov/coronavirus/2019-ncov/prevent-getting-sick/prevention.html>; and

**WHEREAS**, fully vaccinated persons who become infected with the COVID-19 Delta variant can spread the virus to others. See <https://www.cdc.gov/coronavirus/2019-ncov/vaccines/fully-vaccinated.html>; and

**WHEREAS**, the City's public-meeting facilities are indoor facilities that do not ensure circulation of fresh / outdoor air, particularly during periods of cold and/or rainy weather, and were not designed to ensure that attendees can remain six (6) feet apart; and

**WHEREAS**, holding in-person meetings would encourage community members to come to City facilities to participate in local government, and some of them would be at high risk of getting very sick from COVID-19 and/or would live with someone who is at high risk; and

**WHEREAS**, in-person meetings would tempt community members who are experiencing COVID-19 symptoms to leave their homes in order to come to City facilities and participate in local government; and

**WHEREAS**, attendees would use ride-share services and/or public transit to travel to in-person meetings, thereby putting them in close and prolonged contact with additional people outside of their households; and

**WHEREAS**, on October 7, 2021 the Cannabis Regulatory Commission adopted a resolution determining that conducting in-person meetings 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; now therefore be it:

**RESOLVED:** that the Cannabis Regulatory Commission finds and determines that the foregoing recitals are true and correct and hereby adopts and incorporates them into this resolution; and be it

**FURTHER RESOLVED:** that, based on these determinations and consistent with federal, state and local health guidance, the Cannabis Regulatory Commission renews its determination that conducting in-person meetings would pose imminent risks to the health of attendees; and be it

**FURTHER RESOLVED:** that the Cannabis Regulatory Commission firmly believes that the community's health and safety and the community's right to participate in local government, are both critically important, and is committed to balancing the two by continuing to use



teleconferencing to conduct public meetings, in accordance with California Government Code Section 54953(e), a provision of AB-361; and be it

**FURTHER RESOLVED:** that the Cannabis Regulatory Commission will renew these (or similar) findings at least every thirty (30) days in accordance with California Government Code section 54953(e) until the state of emergency related to COVID-19 has been lifted, or the Cannabis Regulatory Commission that in-person meetings no longer pose imminent risks to the health of attendees, whichever occurs first.



# INFORMATIONAL REPORT

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**TO:** Cannabis Regulatory Commission

**FROM:** Greg Minor  
Assistant to the City  
Administrator

**SUBJECT:** Cannabis Industry Security  
Assessment

**DATE:** January 3, 2022

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## **BACKGROUND**

At the December 2021 CRC meeting, Member Stevenson made a motion to have City staff assess what law enforcement, private security and technological resources are needed to prevent caravans from burglarizing cannabis facilities. Member Floyd-Johnson offered a friendly amendment to have the assessment include recommendations over time. Member Stevenson accepted this amendment and the motion passed with Members Turner, Corder, Floyd-Johnson, and Stevenson voting in favor, Member Payne voting against, and Members Long and Minor abstaining.

Below is an initial assessment of security challenges and opportunities with respect to Oakland's cannabis industry. Staff anticipates updating this assessment over the course of 2022 after conducting additional interviews, workshops, and inspections with cannabis businesses. Staff welcomes feedback from the Cannabis Regulatory Commission and public on this initial assessment and its recommendations.

## **CURRENT CHALLENGES**

Cannabis businesses in Oakland and beyond are increasingly becoming targets of burglars and robbers, including by caravans of armed burglars, such as in the summer of 2020 and in November 2021. This is despite the fact that most cannabis business locations are not open to the public and feature security measures, such as cameras, alarms, and safes.

### *Description of Cannabis Related Burglaries*

The burglaries usually take place at night and often on the weekends when there are either fewer officers on duty (due to only patrol staff being on duty) or officers are handling other calls for service, such as shootings, robberies, domestic violence and other non-property crimes where someone is injured or could be injured. Burglars and robbers are motivated by the prospect of obtaining cannabis products for sale on the unregulated market as well as any cash onsite due to cannabis operators' limited access to the banking system.

Furthermore, the lack of quick response time from law enforcement likely emboldens burglars and robbers to take advantage of cannabis businesses in Oakland. Delayed response time is due to a combination of factors, including the prioritization of crimes threatening lives over property crimes, huge volume of calls for service, shortage of officers, and time-intensive documentation requirements.

In terms of who is committing the burglaries and robberies, and how they are taking place, those committing the burglaries and robberies are often from outside of Oakland and they are employing increasingly aggressive measures. For example, of the eight arrested on November 21<sup>st</sup>, only two were from Oakland.<sup>1</sup> This presents a challenge to violence prevention strategies limited to within Oakland's borders. Burglars and robbers have also escalated from unarmed theft to armed caravans, and from utilizing ladders to using blowtorches to access cannabis facilities.

### *Cannabis Operator Related Challenges*

Compounding these challenges is the fact that many cannabis operators are reluctant to invest in private security due to its cost, particularly in the context of all the challenges competing in the regulated marketplace. Also, Oakland cannabis operators are spread across Oakland's industrial and commercial zones, ranging from the San Leandro to the Berkeley border, limiting the opportunities for discouraging crime through environmental design or concentrated security measures.

There are also challenges with notifying cannabis businesses in advance of any burglaries or robberies. First, there is not always intelligence in advance of a burglary or robbery incident, let alone accurate information. Second, cannabis businesses do not always report burglaries or robberies, particularly unpermitted operators, and burglaries and robberies against cannabis businesses are not tracked separately from those committed against other businesses, addresses or people. Last, the Special Activity Permits Division communicates in mass with cannabis operators via email to its cannabis operator listserve, as opposed to phone text messages, and does not have dedicated staff 24 hours a day, seven days a week in the event of an unexpected public safety emergency.

### *Law Enforcement Comparison with Other Jurisdictions*

Similar to Oakland's overall law enforcement resources when compared to other jurisdictions' law enforcement resources, Oakland has fewer law enforcement resources dedicated to cannabis than other jurisdictions. Specifically, Oakland currently has one police officer dedicated to cannabis related issues, ranging from security inspections of

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<sup>1</sup> The remaining arrestees consisted of one from Fairfield, one from Antioch, and four from San Francisco. The eight arrests were made from two incidents, which only represent a fraction of the burglaries that took place against cannabis facilities in November 2021 and thus may not reflect exactly those carrying out burglaries and robberies of cannabis businesses.

licensed facilities, to addressing unpermitted cannabis operations, to prevention of crimes against Oakland's hundreds of cannabis operations. In contrast, Denver, Colorado has a full-time dedicated MET (Marijuana Enforcement Team) of 6 detective officers and one supervising Sergeant. The MET also pairs with a Vice unit and Narcotics task force when needed. Likewise, in Sacramento, CA approximately thirty percent of one sergeant reviews security plans and conducts inspections, with four officers and a sergeant assigned to unpermitted residential cultivation among other duties. In San Francisco, CA there are two cannabis liaisons within the burglary unit plus each district station supports its corresponding cannabis businesses with regulatory compliance such as security plans.

Adding law enforcement resources is challenging from strategic, fiscal and time perspectives. In the short term, adding one or more officers to cannabis related issues comes at the cost of those officers no longer working on their existing assignments. In terms of cost, one police officer with benefits and equipment, such as a vehicle, can cost approximately \$350,000 per year. With respect to timing, adding officers takes significant time as new officers most go through the police academy and then spend another year in field training before they are approved to work on their own.

## **FUNDING AND STRATEGIC OPPORTUNITIES**

On the brighter side, Oakland is fortunate to have different state grants available that can begin to address some of the issues outlined above. Below is a summary of different state grants available, including the scope, status, and timing of each grant.

### *A. Short Term Funding Opportunities*

#### *1. Go-Biz Grant*

The annual Governor's Office of Business and Economic Development (Go-Biz) grant centers on supporting Oakland equity businesses and related administration. City Council approved receipt of these funds in May 2021 via Resolution 88612 and staff is already in the process of distributing these funds via loans and grants to equity applicants, including grants to burglarized equity businesses. See **Table One** for an outline of the different uses of this grant and visit <https://www.elevateimpactoakland.com/> for additional information.

**Table One: 2021-2022 Go-Biz Grant**

<b>Category</b>	<b>Amount</b>	<b>Status</b>
Grants and/or No-Interest Revolving Loans to Operators for All Eligible Expenses	\$1,448,475.41	Approximately \$1.020 Million Remaining
Grants to Utilize Shared-Use Manufacturing Facilities	\$500,000	Approximately \$250,000 Remaining
Loan and Grant Administration	\$160,000	Approximately \$114,000 Remaining
Technical Assistance	\$121,500	Approximately \$104,000 Remaining
Legal Assistance	\$121,500	Approximately \$78,000 Remaining
Portion of City Administrator Analyst Position	\$83,237.10	Not Yet Dispersed
<b>TOTAL GO-BIZ FUNDING</b>	<b>\$2,434,712.51</b>	

*2. BSCC Grant*

The Board of State and Community Corrections (BSCC) grant focuses on the public safety and health impacts resulting from the legalization of cannabis, with a required ten percent of grant funds focused on youth prevention/intervention activities. City Council approved receipt of the BSCC grant in July 2021 via Resolution No. 88735. Subsequently, the East Oakland Youth Development Center (EOYDC) has withdrawn from this project, making a total of \$360,000 over three-years available for other efforts (see **Table Two** line item in *italics*). Any changes to the original proposal would have to be approved by the BSCC and ratified by the City Council.

**Table Two: 2021-2024 BSCC Grant**

<b>PROPOSITION 64 GRANT FUNDS OVER THREE-YEAR PERIOD</b>		
<b>PURPOSE</b>	<b>ORGANIZATION</b>	<b>AMOUNT</b>
<i>Formerly Preventative and Intervention Activities for Youth</i>	<i>Formerly East Oakland Youth Development Center</i>	\$360,000
Youth Awareness Campaign	Public Health Institute/Castlemont High Health Equity Academy	\$133,306
Public Outreach Campaign to Adults to Support Equity Businesses	RFP in process	\$70,000
Oversee Overall Program	City of Oakland: 0.5 Program Analyst	\$231,000
Security Workshops and Support for Cannabis Businesses	City of Oakland: 8 Hours Weekly Overtime for a Police Officer	\$112,329
Meeting Supplies and Notification	All	\$32,000
Data Management	Cityspan	\$30,000
Indirect Costs/Overhead	City of Oakland	\$29,059
TOTAL		\$997,694

*B. Medium Term Funding Opportunity*

The Department of Cannabis Control (DCC)'s Local Jurisdiction Assistance Grant is meant to assist local jurisdictions in transitioning cannabis operators from having a provisional state license to an annual state license. This grant is non-competitive; the state legislature has determined that the City of Oakland is eligible for \$9,905,020 over the next three years based on the number of Oakland cannabis licensees and Oakland Equity Program.

After conferring with the Cannabis Regulatory Commission over the fall of 2021, staff submitted an application prior to the November 15, 2021 application deadline. Subsequently, DCC staff informed City staff that funding for equity applicants must be restricted to only equity applicants with a provisional state license. In light of this

feedback, the fact that another Go-Biz grant in 2022 that will provide funds exclusively to equity applicants, and recent security issues for cannabis business, staff has revised Oakland's application by dividing the amount of funding previously allocated for equity applicants in half with one half towards supporting equity applicants with a provisional license transition to an annual license and the other half available for all cannabis operators to address security requirements (see **Table Three** line items in *italics*). The DCC has approved this amendment, meaning approximately \$650,000 will be available per year for the next three years for cannabis operators to upgrade their facilities and fund private security.

**Table Three: 2022-2025 Local Jurisdiction Assistance Grant**

<b>LOCAL JURISDICTION ASSISTANCE GRANT BUDGET</b>		
<b>PROPOSED USE</b>	<b>COST IN YEAR ONE</b>	<b>COST OVER THREE YEARS</b>
<i>Grants to Provisionally Licensed Equity Applicants</i>	\$648,696.15	\$1,946,088.45
Special Activity Permit Technician	\$124,305	\$372,915
Planning CEQA Review	\$9,237	\$27,710
Program Analyst for Processing Loans/Grants	\$150,000	\$450,000
Process Coordinator II in Building Bureau	\$175,696	\$527,088
Overtime for Civil Engineers to Review Plans	\$591,075	\$1,773,224
Overtime for Code Enforcement	\$78,115.80	\$234,347
Hazardous Materials Inspector II	\$193,546	\$580,638
Overtime for Fire Plan Engineers to Review Plans	\$73,760	\$221,280
Overtime for Municipal Code Enforcement Officers for Security Inspections	\$50,000	\$150,000
Annual CPTED Training for Municipal Code Enforcement Officers	\$1,200	\$3,600
Establishing/Maintaining Accela Module for Cannabis Permit Tracking	\$310,000	\$430,000
<i>Grants to Meet Security Requirements</i>	\$648,696.15	\$1,946,088.45
Consultant TBD to Administer Loan/Grant Programs	\$160,000	\$480,000
Consultant TBD to Provide Legal Assistance to Equity Applicants	\$125,000	\$375,000
Consultant TBD to Provide Technical Assistance to Equity Applicants	\$125,000	\$375,000
<b>TOTAL</b>	<b>\$3,468,340</b>	<b>\$9,905,020</b>

In order to receive Local Jurisdiction Assistance Grant funds, staff needs to present a Resolution to the City Council for its approval and provide the DCC with a signed grant agreement.

### *C. Long Term Funding Opportunity*

On December 17th, Governor Newsom announced his Real Public Safety Plan<sup>2</sup> that proposes investments in response to an uptick in organized retail theft and other violent crimes. Specifically, Governor Newsom proposes that the next state budget allocate \$255 million in grants for local law enforcement over the next three years to increase presence at retail locations and combat organized retail crime. Additionally, the Plan sets aside \$20 million in grants to businesses that have been the victims of retail theft, as well as funding for more prosecutors and a gun buyback program.

### *D. Strategic Opportunities*

Although Oakland's cannabis businesses are spread across industrial and commercial zones, there are pockets with high concentrations of cannabis businesses, which may offer synergistic opportunities for shared resources and coordination between different cannabis businesses. Oakland's cannabis operators, regardless of location, also share many of the same goals and interests, which offers multiple opportunities for collaboration.

Furthermore, because of cannabis operators' unique regulatory status it is easier to implement new security requirements for cannabis operators compared to other industries. Likewise, cannabis businesses already have a unique tax category, which could facilitate collection of revenues from cannabis operators towards specific purposes.

## **CURRENT RECOMMENDATIONS**

In light of the challenges and opportunities described above, staff recommends the following short, medium, and long-term strategies.

### *Short and Medium-Term Recommendations*

#### *A. Distribute Funds to Operators*

In addition to distributing grants to burglarized equity businesses via the 2021 Go-Biz grant, staff recommends dispersing the approximately \$650,000 per year in funds from the DCC grant to all cannabis operators to comply with security requirements. Staff anticipates adjustments to cannabis operator security requirements considering recent

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<sup>2</sup> <https://www.gov.ca.gov/wp-content/uploads/2021/12/Real-Public-Safety-Plan-12.17.21.pdf>



crime trends. Allocating funds to operators for security improvements will help operators comply with these requirements and deter future burglaries through the fortification of cannabis business locations and the addition of onsite private security where most needed.

*B. Analyze Creation of Cannabis Business Improvement District (BID)*

In light of cannabis operators' common interests and unique challenges as compared to other industries, staff recommends utilizing a portion of the \$360,000 over three-years available from the BSCC grant to fund a consultant to undergo an assessment regarding the feasibility of a cannabis BID. While most BIDs are specific to a neighborhood or commercial corridor, BIDs can also apply to an industry or multiple industries, such as the Oakland Tourism BID, and extend across Oakland.

A cannabis BID offers the potential to coordinate communication amongst operators, organize security efforts, bolster collective marketing, and streamline advocacy. Rather than multiple operators focusing on their own immediate short-term self-interest to the detriment of all, a BID offers a mechanism for cannabis operators to work together. Additionally, a BID can serve as a critical source of information and improve communication in times of emergencies.

The formation of a BID requires at least thirty percent of the impacted population to petition for BID creation, followed by a majority vote in favor of the establishment of a BID. Before jumping to a petition or vote, a consultant can analyze the various nuances involved in an Oakland cannabis BID, such as the appropriate formula for funding the BID, the effectiveness of a cannabis BID versus alternative approaches to BID formation, and the viability of a cannabis BID over time. Staff anticipates an effective analysis requiring approximately \$120,000.

*C. Utilize Remainder of BSCC Funds on Either Private Security, Facility Improvements, or Overtime for Law Enforcement*

With the remaining \$240,000 over three years available from the BSCC grant, staff has identified three potential options: private security, facility improvements, or overtime for law enforcement.

The first option consists of private security in the areas of Oakland with the largest numbers of cannabis businesses. While not a panacea, private security has slowed or deterred burglars targeting cannabis businesses. Assigning private security to areas with clusters of cannabis businesses can alleviate some of the burden on individual operators to fund private security and provide eyes and ears to gather information on those seeking to steal from cannabis businesses, which can in turn have a ripple effect of reduce crime against cannabis businesses citywide. This initial investment can also serve as a learning opportunity to assess the viability of continuing or modifying private

security efforts in areas with cannabis businesses once the BSCC grant expires. One of the challenges with this strategy is the cost of private security, which can exceed \$10,000 a month; other concerns include overall effectiveness given the geographic scope and potential liability following an incident.

The second option would be supplementing the DCC grants to operators to upgrade their facilities to meet security requirements. Given the large number of cannabis businesses, additional funds for this purpose could be helpful. On the other hand, the BSCC funds are an opportunity to fund security strategies other than grants to operators.

The third option consists of overtime for law enforcement focused on patrolling the areas of Oakland with high concentrations of cannabis businesses at night when burglaries most frequently take place. Additional law enforcement can serve as a deterrent to burglars, however, the amount of funds available would only provide for one officer for 106 days a year at eight hours per day.

*D. Explore Text-Based Notification Systems and Online Platforms*

To improve communication with cannabis operators when information is available in advance of a public safety threat, staff recommends utilization of a text notification system. For now, staff will utilize infrastructure, such as Nixle, however staff will also explore systems that can be tailored to just the cannabis industry, including systems that allow operators to share information with each other and for the City to notify operators regarding public safety issues.

*E. Security Workshops and Proactive Inspections*

Thanks to the BSCC grant, funding is already available for one day of overtime a week for an officer to improve the safety of cannabis businesses. Staff intends on using this time to hold quarterly workshops with cannabis operators, where OPD and operators can exchange information on recent crime trends and how to minimize the risk of harm to operators and their businesses. These workshops may also provide an opportunity for insurance representatives to share information on what cannabis operators can do to maximize their recovery in the event of a burglary.

In addition to workshops, the day of overtimes offers an opportunity to conduct proactive inspections of cannabis businesses and follow up with burglarized businesses to better understand operators' challenges and areas for improvement.

*Long-Term Recommendations*

In addition to the above strategies, staff recommends identifying ongoing law enforcement resources to improve the safety of cannabis businesses and their

surrounding neighborhoods. For instance, should the state legislature adopt Governor Newsom's Real Public Safety Plan in the next budget cycle, staff will submit a grant application for law enforcement resources to help deter those from targeting cannabis businesses and holding burglars and robbers accountable after they commit a crime. Likewise, if the City Council funds additional officers in the next City budget, staff will prepare a plan for what law enforcement positions would improve the safety of cannabis businesses and their neighbors.

Combined with environmental design strategies, private security, and centralized communication within the cannabis industry, additional law enforcement resources can deter burglars and robbers from targeting cannabis businesses in Oakland.

Respectfully submitted,



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Greg Minor  
Assistant to the City Administrator  
Economic and Workforce Development



## Cannabis Regulatory Commission

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**TO:** Cannabis Regulatory Commission      **FROM:** Greg Minor  
Assistant to the City  
Administrator

**SUBJECT:** January 2022 Agenda Items      **DATE:** January 3, 2022

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ITEM C (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

Recently passed Assembly Bill (AB) 361 requires boards and commission to renew findings that conducting in-person meetings would present imminent health risks and to elect to continue conducting meetings via teleconference. The CRC adopted an initial resolution to this effect at a Special Meeting on October 7, 2021 and attached to this agenda is Resolution 2021-4 renewing these findings.

ITEM C (2) Cannabis Industry Security Assessment

Please see the enclosed report.

ITEM C (3) Implementation Update on Current BCC and Go-Biz Grants

The City of Oakland has received three state grants thus far to support its cannabis equity program: in the spring of 2020 the City received a grant of approximately \$1,650,000 from the Bureau of Cannabis Control; in the summer of 2020 the City received a \$6,576,705 grant from the Governor’s Office of Business and Economic Development (Go-Biz); then in the summer of 2021 the City received a \$2,434,712.51 from Go-Biz. Tables 1-3 provide an overview of the uses of each of these grants and the subsequent narrative offers an update on the various programs funded through state grants.

**Table 1: 2020-2021 BCC Grant**

<b>Category</b>	<b>Amount</b>	<b>Status</b>
Grants to Operators	\$850,000	Dispersed
Commercial Kitchens	\$250,000	Dispersed
Commercial Kitchens OR Events Featuring Equity Businesses	\$200,000	Dispersed
Workforce Development	\$200,000	Dispersed
Program Analyst Position	\$150,000	Dispersed
<b>TOTAL BCC FUNDING</b>	<b>\$1,650,000</b>	

**Table 2: 2020-2021 Go-Biz Grant**

<b>Category</b>	<b>Amount</b>	<b>Status</b>
Grants to Operators for All Eligible Expenses	\$1,510,239	Approximately \$234k Remaining
No Interest Revolving Loans to Operators for All Eligible Expenses	\$960,239	Dispersed
No Interest Loans to Purchase Property	\$2,010,239	Funds to Purchase Property Dispersed; Approximately \$115k Remaining
Utilization of Shared-Use Manufacturing Facilities	\$50,000	Dispersed
Workforce Development	\$800,000	Approximately \$182.7k Remaining
Loan and Grant Administration	\$350,000	Dispersed
Technical Assistance	\$250,000	Dispersed
Legal Assistance	\$165,000	Dispersed
City Staff Costs Administering Equity Program	\$480,987	Dispersed
<b>TOTAL GO-BIZ FUNDING</b>	<b>\$6,576,704</b>	

**Table 4: 2021-2022 Go-Biz Grant**  
(Data not updated since November 4, 2021 due to Thanksgiving holiday)

<b>Category</b>	<b>Amount</b>	<b>Status</b>
Grants and/or No-Interest Revolving Loans to Operators for All Eligible Expenses	\$1,448,475.41	Approximately \$1.02 Million Remaining
Grants to Utilize Shared-Use Manufacturing Facilities	\$500,000	Approximately \$250k Remaining
Loan and Grant Administration	\$160,000	Approximately \$114.2k Remaining
Technical Assistance	\$121,500	Approximately \$104.2k Remaining
Legal Assistance	\$121,500	Approximately \$77.9k Remaining
Portion of City Administrator Analyst Position	\$83,237.10	Not Yet Dispersed
<b>TOTAL GO-BIZ FUNDING</b>	<b>\$2,434,712.51</b>	

In the summer of 2020, the Special Activity Permits Division launched a BCC and Go-Biz funded grant program for equity operators for all eligible expenses that is administered along with the no-interest loan program by 4Front Partners, dba Elevate Impact. At the recommendation of the CRC, staff and Elevate Impact have held monthly meetings with equity operators the Tuesday after the CRC meeting to provide any updates regarding the program and maintain an ongoing feedback loop. Every week staff and Elevate Impact monitor the programs and analyze what adjustments are needed to effectively disburse funds. More information on the loan and grant programs is available at [www.elevateimpactoakland.com](http://www.elevateimpactoakland.com) and the agendas for monthly loan and grant meetings with statistics regarding the loan and grant programs is available here: <https://www.oaklandca.gov/boards-commissions/cannabis-regulatory-commission/meetings>.

In September 2020 staff launched two shared-use manufacturing facilities funded by the BCC grant. The two teams managing the kitchens have selected 15 manufacturers to use the sites and obtained all necessary approvals for the locations. Now operators are utilizing the shared-use facilities. More information is available here: <https://www.oaklandca.gov/services/shared-use-manufacturing-facilities>

Next, in late October 2020 staff launched a workforce development grant program providing equity operators with grants of up to \$50,000 to recruit, train, or retain equity employees. Staff reviewed and approved all 27 applications received in 2020 and is working with the workforce grant applicants to get them under contract in order to disperse funds. To date, twenty-four of the workforce grant applicants have received funding, 19 of which have received their entire grant amount and four of which have received the first half of their grant. Three grantees' contract documents are still being finalized. More information is available here: <https://www.oaklandca.gov/services/workforce-development-grant-program>

Finally, on November 20, 2020 staff released a Request for Proposals (RFP) for the approximately \$2 million that is available to equity operators to purchase property(ies) that support multiple equity operators. The City received 18 applications for Phase One of the RFP. A panel of City staff from the Departments of Race and Equity, Economic and Workforce Development and the City Administrator's Office reviewed and scored the applications, resulting in five applicants moving forward to the last phase of the RFP. The top five applicants submitted their Phase Two responses on March 12th with a letter of intent to purchase a property and a detailed budget. Staff inspected the proposed locations, held follow up meetings with applicants, and on April 30<sup>th</sup> provided the top two applicants a conditional commitment letter for the purchase of a shared-use manufacturing facility that will both support the equity applicants involved in the RFP process and equity applicants that can utilize the space each year. In late August staff entered into a loan agreement with the team of equity applicants to purchase the property and the team of equity applicants closed on the property in September 2021. Staff anticipates a press release with more information on the project will be available later this month. More information is available here: <https://www.oaklandca.gov/services/purchasing-property-program>

#### 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 1: Application Totals**

<b><i>APPLICATIONS</i></b>	<b>TOTALS</b>	<b>PENDING</b>
Total Complete & Incomplete Applications	1664	135
Total Complete Applications	1646	
Complete General Applications	709	
Equity Applications based on residency	811	
Equity Applications based on conviction	133	
Incubators	384	
Interested in Incubating	27	
Complete Application with property	1156	
Complete Application without property (Equity)	396	
Complete Applicants without property (General)	94	

**Figure 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	175	68	4	250
Cultivator (Indoor)	212	122	17	163
Cultivator (Outdoor)	6	5	0	38
Distributor	153	90	4	233
Mfg. Volatile	55	40	0	47
Mfg. Non-Volatile	100	55	2	174
Transporter	6	4	0	40
Lab Testing	2	1	0	10
<b>GRAND TOTALS</b>	<b>709</b>	<b>385</b>	<b>27</b>	<b>955</b>

\*These numbers are part of the General Total

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

<b>LOCALLY AUTHORIZED FOR STATE *ANNUAL/PROVISIONAL LICENSES*</b>	<b>GENERAL</b>	<b>INCUBATOR</b>	<b>EQUITY</b>	
Delivery	41	48	122	
Cultivator	12	78	43	
Distributor	11	74	102	
Mfg. Volatile	5	29	6	
Mfg. Non-Volatile	22	71	103	
Transporter	1	2	5	
Lab Testing	0	2	2	
Retailers	3	1	3	
<b>TOTALS:</b>	<b>95</b>	<b>305</b>	<b>386</b>	<b>786</b>

\*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**

	<b>GENERAL NOT INCUBATING</b>	<b>INCUBATOR</b>	<b>EQUITY</b>	<b>TOTAL</b>
<b><i>NEW ANNUAL PERMITS BY BUSINESS TYPE</i></b>				
Dispensary	1	1	5	7
Delivery	51	13	70	134
Cultivator (Indoor)	2	5	5	12
Cultivator (Outdoor)	0	0	0	0
Distributor	12	21	67	100
Mfg. Volatile	0	5	0	5
Mfg. Non-Volatile	6	10	35	51
Transporter	1	0	1	2
Lab Testing	0	0	0	0
<b>GRAND TOTALS</b>	<b>73</b>	<b>55</b>	<b>183</b>	<b>311</b>

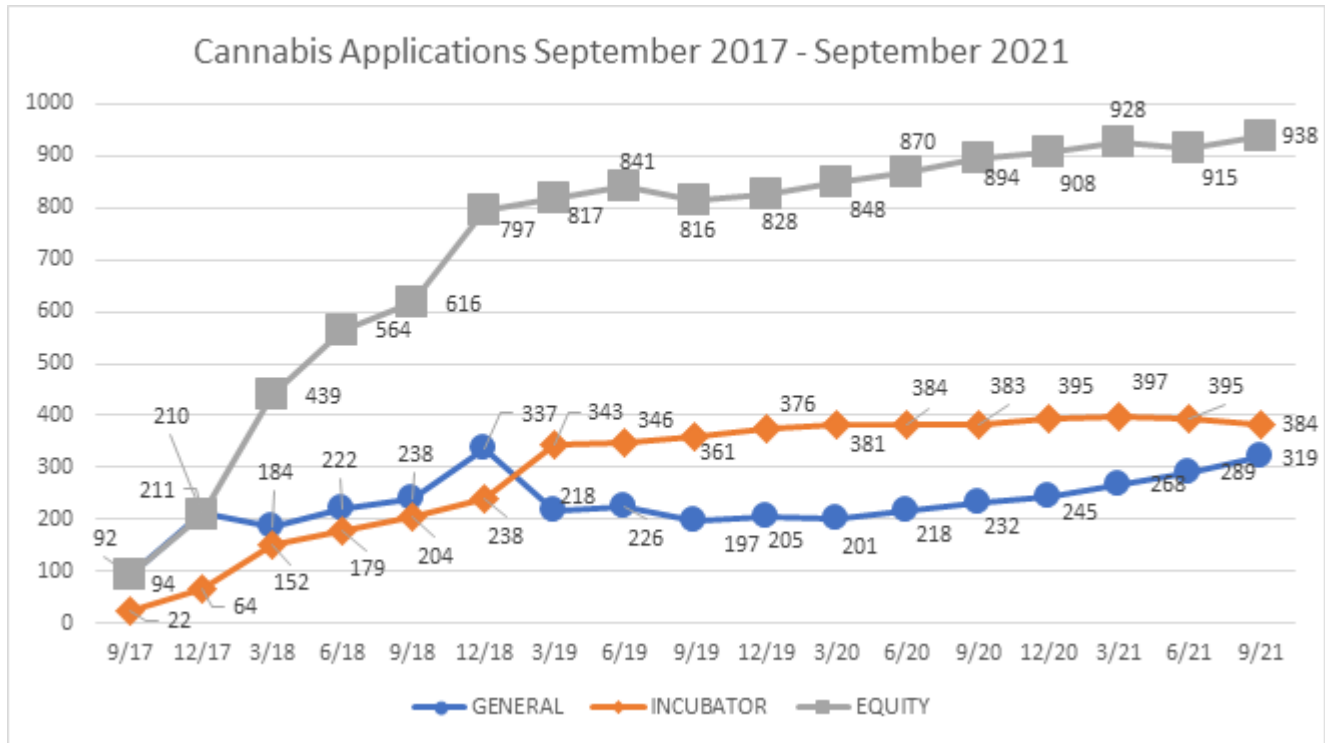
**Figure 5: Withdrawn Applications**

<b>WITHDRAWN APPLICATIONS</b>	<b>GENERAL</b>	<b>INCUBATOR</b>	<b>EQUITY</b>	<b>TOTALS</b>
Delivery	10	24	46	80
Cultivator (Indoor)	3	16	35	54
Cultivator (Outdoor)	14	11	11	36
Distributor	3	38	43	84
Mfg. Volatile	2	14	20	36
Mfg. Non-Volatile	6	19	28	53
Transporter	5	1	15	21
Lab Testing		2	3	5
<b>TOTALS</b>	<b>43</b>	<b>125</b>	<b>201</b>	<b>369</b>

**Figure 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)	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
<b>TOTALS</b>	<b>3</b>	<b>27</b>	<b>13</b>	<b>43</b>

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



**Figure 8: Graph of Cannabis Permits Issued since 2018**

