

Thursday October 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:
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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.”

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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:

Javier Armas	District 1	Vacant	District 7
Tracey Corder	District 2	Chaney Turner	At Large
Taib Alaoui	District 3	Eric Medrano	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 CRC Meeting on September 1, 2022
- 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. 2022 Cannabis Business Tax Supplemental Report
 - 3. Potential Loan Forgiveness Policy for Equity Applicants
 - 4. Potential Policy for the Transfer of Permits from Equity to General Applicants
 - 5. 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)*
- 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>
3. The deadline for submitting response to cannabis equity property purchase program [Request for Proposals](#) (RFP) has been extended to November 1st.
4. [Applications are open now](#) until November 2nd for equity manufacturers to utilize shared-use manufacturing facility at City sponsored Oakland Equity Collective.

G. Adjournment

Thursday September 1, 2022 6:30 pm
Teleconference Meeting

MINUTES

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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

Present: Armas, Corder, Payne, Turner, Medrano, Long
Absent: Alaoui, Long

B. Approval of the Draft Minutes from the CRC Special Meeting on August 11, 2022

Chair Turner made a motion to approve the minutes as drafted. Member Payne seconded the motion and the motion passed with Member Minor abstaining.

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

Chair Turner made a motion to accept the Resolution. Member Corder seconded the motion and the motion passed with Member Minor abstaining.

2. The Process of Communication from the City Administrator’s Office with the Cannabis Regulatory Commission and the Role of the City Administrator’s Representative

Member Minor provided the report. During public comment, former Chair Lanese Martin encouraged more consistency and clarity regarding processes. Chair Turner expressed frustration regarding Oakland Cannery and why the topic was not discussed earlier. Member Payne shared a lacked of clarity around who in the City carries out different functions. Chair Turner made a motion to agendize a discussion around the creation of a

Department of Cannabis. Member Payne seconded the motion. The motion passed with Member Minor abstaining.

3. Implementation Update on State Grants

Member Minor provided an update.

A member of the public encouraged the City to establish cohort periods longer than 18 months for equity manufacturers utilizing the forthcoming shared-use manufacturing facility owned by a City sponsored team of equity applicants.

Chair Turner made a motion for the CRC to include a written summary of cannabis equity programs funded through state grants in future CRC annual reports to the City Council. Member Payne seconded the motion and it passed with Member Minor abstaining.

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

- *Building and Fire Baseline Permitting Timelines (since January 2022)*
- *Details on Proposed Legislative Framework for Next Phase of Cannabis Program (since February 2022)*
- *Finalize Exit Interview Survey for Withdrawn Applications (since July 2022)*
- *Additional Data from Finance Department regarding gross receipts of cannabis businesses by type (since August 2022)*
- *Potential Loan Forgiveness Policy for Equity Applicants (since August 2022)*
- *Potential Policy for the Transfer of Permits from Equity to General Applicants (since August 2022)*

Member Minor provided an update on the pending items.

E. Open Forum / Public Comment

Lanese Martin encourage more proactive engagement with the upcoming General Plan. Alisha Byrd recommended loan forgiveness for 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. October 3, 2022 is the deadline for submitting response to [Request for Proposals](#) (RFP) for cannabis equity applicants, shared-use manufacturing technical assistance, security measures for provisional licensees, and the cannabis equity property purchase program.

Member Minor noted the CRC 2021 annual report will be presented at the September 27th City Council Community Economic Development (CED) meeting.

G. Adjournment

OAKLAND CANNABIS REGULATORY COMMISSION

RESOLUTION NO. 2022-9

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.



Cannabis Regulatory Commission

TO: Cannabis Regulatory Commission

FROM: Greg Minor
Assistant to the City
Administrator

SUBJECT: October 2022 Agenda Items

DATE: October 3, 2022

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

2021 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 a Resolution 2022 renewing these findings.

ITEM C (2) 2022 Cannabis Business Tax Supplemental Report

At the August 11th Special CRC Meeting, Chair Turner made a motion for the Finance Department to provide additional data on Oakland's cannabis industry. Specifically, Chair Turner requested that the Finance Department provide gross receipt data for both general and equity applicants from 2018 to the present. Vice-Chair Long seconded the motion and it passed by consensus.

Accordingly, please see attached 2022 Cannabis Business Tax Supplemental Report.

ITEM C (3) Potential Loan Forgiveness Policy for Equity Applicants

In November 2021 City staff and Elevate Impact, the City's consultant administering loan and grant programs for cannabis equity applicants, provided the CRC an informational report on the City's no-interest revolving loan program. Per the CRC's November 2021 recommendation, Elevate Impact and City staff returned to the CRC in March 2022 to present a survey of grant and loan recipients that analyzed the business profiles of equity applicants in default as well as those successfully repaying their loans.

After a follow up discussion at the August 11th Special CRC Meeting regarding a potential loan forgiveness policy, the CRC made a motion to request additional data from the Finance Department before making any recommendations related to loan forgiveness. Now that the Finance Department additional data is available, this item is before the CRC again for its consideration.

Below please find background on the program, statistics, as well as outstanding policy questions for the commission and public's review.

A. Loan Program Background

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 and 2021 from the Bureau of Cannabis Control and the Governor's Office of Business and Economic Development (Go-Biz) the City has added grant programs and added additional funds towards the loan program. When asked in 2021 and 2022 surveys whether they preferred to receive capital in the form of grants, no-interest revolving loans, or both, a majority of equity applicants replied that they would prefer access to both.

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.

B. Loan Program Statistics to Date

As of September 6th, the City has lent \$4,398,239 to fund 110 loans provided to 64 unique borrowers for an average of \$68,722 per borrower. In addition, the City has received 20 requests totaling a potential of \$870,000 in additional new loan funding once underwriting and closing is complete. Approximately, 83 percent of loans have gone to African-Americans, six percent to Hispanics, five percent to dual race, three percent to Whites, and two percent have gone to both Native Americans and Vietnamese-Americans. Additionally, approximately 69 percent of loans have gone to males and thirty-one percent to females.

With respect to grants, the City has provided \$2,896,294 in funding for 88 grants to 50 unique grantees for an average of \$57,926 per grantee. In addition, the City has received grant requests totaling a potential of \$2.2 million in additional new grant funding once underwriting and closing is complete. In terms of grant demographics, 82 percent have gone to African Americans, six percent to Hispanics, six percent to dual/other, two percent to Vietnamese-American, two percent to Native American, and two percent did not report. Furthermore, 62 percent of grants have gone to males and thirty-eight percent to females.

C. Potential Loan Forgiveness Policy

In terms of loan forgiveness for delinquent borrowers this could only happen if the City Council adopts a Resolution that forgives equity applicants the funds they have not repaid. There are several policy considerations involved in potentially forgiving the loans of delinquent equity applicants. Unlike grants, loans are not taxable, and loan repayments can be recirculated to multiple equity applicants. However, if a loan is forgiven, the forgiven amount becomes taxable.

Below are some policy questions the City Council would need to consider when deciding whether and how to forgive loan repayments:

- If an equity applicant is forgiven their unpaid loans, should they be eligible for future City loans or grants?
 - Should they have to wait a period of time, such as seven years similar to bankruptcy, before being eligible for future City funds (grants or loans)?
- Should there be any eligibility criteria before an equity applicant can have their loans forgiven?
 - Should delinquent borrowers be required to try a loan modification before having their unpaid repayments forgiven?

- How will the City compensate for the reduction in capital for equity applicants in the future if no repayments are made?
- Why should delinquent borrowers not repay loans when others have?
- Are equity loan recipients prepared to assume the tax liability that will take place if their loans are forgiven?

Staff welcomes the CRC and public's feedback on whether and how to structure a loan forgiveness policy for equity applicants.

ITEM C (4) Potential Policy for the Transfer of Permits from Equity to General Applicants

Chair Turner recommended agendaizing a discussion regarding whether and how to allow equity applicants to transfer their cannabis permit(s) to general applicants at the Special August CRC Meeting. At August CRC Meeting Chair Turner made a motion for the CRC to wait until it receives additional data from the Finance Department on the cannabis industry from 2018-present. Member Armas seconded the motion and it passed by consensus. Now that the Finance Department additional data is available, this item is before the CRC again for its consideration.

The current language around transferring business permits resides in OMC 5.02.20, 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.

Staff 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.

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.

This item was discussed at the January 2021 CRC meeting where former Chair Martin moved to place this item on the pending list, current Chair Turner seconded the motion and it passed by consensus. Then at the May 6, 2021 Member Floyd-Johnson made a motion to refer this topic to the equity assessment subcommittee and then have the subcommittee make a recommendation on the item for the full CRC's consideration. Vice Chair Long seconded the motion and it passed by consensus.

On May 25, 2021, the equity subcommittee discussed whether/how the City should allow equity businesses to transfer their permits to non-equity businesses. After some discussion on this topic, the subcommittee proposed that the Commission consider the recommendation that allows an Equity business to be sold to a general business provided that the General pay back 80% of the amount of funds given to an Equity business. In addition, the subcommittee recommended that the general business agree to incubate an equity business.

At the June 3, 2021 CRC meeting Vice-Chair Long made a motion to continue this item to the next meeting and Member Turner seconded the motion and it passed by consensus. Subsequently, the equity subcommittee met again and formed the following recommendation: allow an equity applicant to sell their business and transfer their permit to a general applicant provided that the general applicant pay back 100% of the amount of funds provided to the equity applicant by the City of Oakland and cover any transfer processing fees.

At the July 1, 2021 CRC meeting this topic was discussed again before Member Floyd Johnson then made a motion to take the issue back to the subcommittee to refine the recommendation and then place it on next month's agenda. Member Stevenson seconded the motion and it passed by consensus.

Finally, at the August 2021 CRC meeting, Vice-Chair Long made a motion to ask staff to request the city attorney's office examine what costs can be included as part of the transfer of a permit from an equity business to a non-equity business. Staff's initial determination is that the City can require the repayment of any outstanding loans and require the payment of a transfer fee to reflect staff costs involved in processing the transfer. As a practical matter, staff finds it would be extremely challenging to assess how many fees and/or what free services, such as free legal and technical assistance, the City has provided an individual applicant.

ITEM C (5) Implementation Update on State Grants

The City of Oakland received three state grants in 2020-2021 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 (BCC); 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) (Go-Biz 1 Grant); then in the summer

of 2021 the City received a \$2,434,712.51 from Go-Biz (Go-Biz 2 Grant). The City has disbursed all of the BCC grants funds and all but approximately \$200,000 of the Go-Biz 1 and Go-Biz 2 grants, which consist of second installments of workforce development and shared-use manufacturing grants.

In April 2022 the City of Oakland received a three-year \$9,905,020 Local Jurisdiction Assistance Grant from the Department of Cannabis Control (DCC) to support the transition of cannabis operators from a provisional to an annual state license. In June 2022 the City received the latest one-year grant from Go-Biz to support the City's Equity Program in an amount of \$5,435,140.82 (Go-Biz 3). Finally, this spring the City Council approved adjustments to a three-year grant from the Board of State and Community Corrections (BSCC) to address the impacts of cannabis legalization. Staff is now beginning to disburse these funds as outlined in **Figures 1-3** month and will provide status updates moving forward.

Additionally, in July staff released a [Request for Proposals](#) (RFP) for funds for events for cannabis equity applicants, shared-use manufacturing technical assistance, security measures for provisional licensees, and the cannabis equity property purchase program. The deadline for RFP responses for Events, Manufacturing facilities and Security is Monday October 3rd. Deadline for the property purchase program has been extended to November 1, 2022.

Also, in August staff increased the grant funding available to equity applicants to match the amounts available through the loan program and introduced additional specialty grant programs. More information on the City's loan and grant programs for equity applicants is available here: <https://www.elevateimpactoakland.com/>

Figure 1- Local Jurisdiction Assistance Grant Funds

LOCAL JURISDICTION ASSISTANCE GRANT BUDGET		
USES	COST IN YEAR ONE	COST OVER THREE YEARS
Grants to Provisionally Licensed Equity Applicants	\$574,218.50	\$1,722,655.50
Special Activity Permit Technician	\$166,810	\$500,430
Planning CEQA Review	\$9,237	\$27,710
Program Analyst for Processing Grants	\$198,640	\$595,920
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 Fire Code Enforcement	\$61,824.00	\$185,472
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
Grants to Meet Security Requirements	\$574,218.50	\$1,722,655.50
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
TOTAL	\$3,468,341	\$9,905,020

Figure 2- 2022-2023 Go-Biz (G0-Biz 3) Grant Funds

Uses	Amount of Funds	DISBURSED TO DATE
A. Grants/Loans to Operators For Start-Up and Ongoing Costs and Events	\$2,428,953.10	\$ 320,000.00
B. No-Interest Loan to Purchase Property	\$2,250,000.00	
C. Managing Shared-Use Facilities	\$212,915.36	
D. Workforce Development	\$330,357.00	
E. Half of a City Administrator Analyst	\$122,959.00	
F. Administering of Grant/Loan Programs	\$89,956.36	
TOTAL	\$5,435,140.82	\$ 320,000.00

Figure 3- Original and Current Uses of Proposition 64 Grant

Original and Proposed/New Uses of Proposition 64 (BSCC) Grant Funds				
Purpose	Original Organization	Original Amount	New or Same Organization	New or Same Amount
Preventative and Intervention Activities for Youth	East Oakland Youth Development Center (EOYDC)	\$360,000	Youth Uprising	\$310,000
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	\$50,000
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	Same
Meeting Supplies and Notification	EOYDC, OUSD, PHI	\$32,000	Youth Uprising, OUSD, PHI	Same
Indirect Costs/Overhead	City of Oakland	\$29,059	Same	Same
Oversee Overall Program	City of Oakland: 0.5 F.T.E. City Administrator Analyst	\$231,000	Same	Same
TOTAL				\$997,694

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

<i>APPLICATIONS</i>	TOTALS	PENDING
Total Complete & Incomplete Applications	1669	133
Total Complete Applications	1669	
Complete General Applications	405	
Equity Applications based on residency	814	
Equity Applications based on conviction	129	
Incubators	379	
Interested in Incubating	26	
Complete Application with property	1151	
Complete Application without property (Equity)	421	
Complete Applicants without property (General)	99	

Figure 2: Permit Applications by Category

COMPLETED APPLICATIONS BY BUSINESS TYPE	GENERAL	INCUBATOR*	INTERESTED IN INCUBATING*	EQUITY
Delivery	183	65	4	241
Cultivator (Indoor)	216	130	17	164
Cultivator (Outdoor)	5	3	0	38
Distributor	160	90	4	228
Mfg. Volatile	56	39	0	48
Mfg. Non-Volatile	101	50	2	177
Transporter	4	4	0	37
Lab Testing	1	1	0	10
GRAND TOTALS	726	382	27	943

*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	
Dispensary				
Delivery	60	52	140	
Cultivator	26	93	54	
Distributor	28	79	119	
Mfg. Volatile	5	29	7	
Mfg. Non-Volatile	27	74	114	
Transporter	1	2	6	
Lab Testing	0	2	2	
Retailers	3	1	3	
TOTALS:	150	332	445	927

*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	INCUBATOR	EQUITY	TOTAL
<i>NEW ANNUAL PERMITS BY BUSINESS TYPE</i>				
On-site Consumption			2	2
Dispensary	1	1	8	10
Delivery	65	27	81	173
Cultivator (Indoor)	4	6	5	15
Cultivator (Outdoor)	0	0	0	0
Distributor	20	16	78	114
Mfg. Volatile	0	5	0	5
Mfg. Non-Volatile	9	14	39	62
Transporter	1	0	1	2
Lab Testing	0	0	0	0
GRAND TOTALS	100	69	214	383

Figure 5: Withdrawn Applications

WITHDRAWN APPLICATIONS	GENERAL	INCUBATOR	EQUITY	TOTALS
Delivery	13	31	67	111
Cultivator (Indoor)	9	17	40	66
Cultivator (Outdoor)	14	13	11	38
Distributor	7	45	54	106
Mfg. Volatile	2	16	22	40
Mfg. Non-Volatile	6	27	39	72
Transporter	6	1	16	23
Lab Testing		3	3	6
TOTALS	57	153	252	462

Figure 6: Revoked Local Authorization

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

Figure 7: Graph of Cannabis Permit Applications Received Since 2017

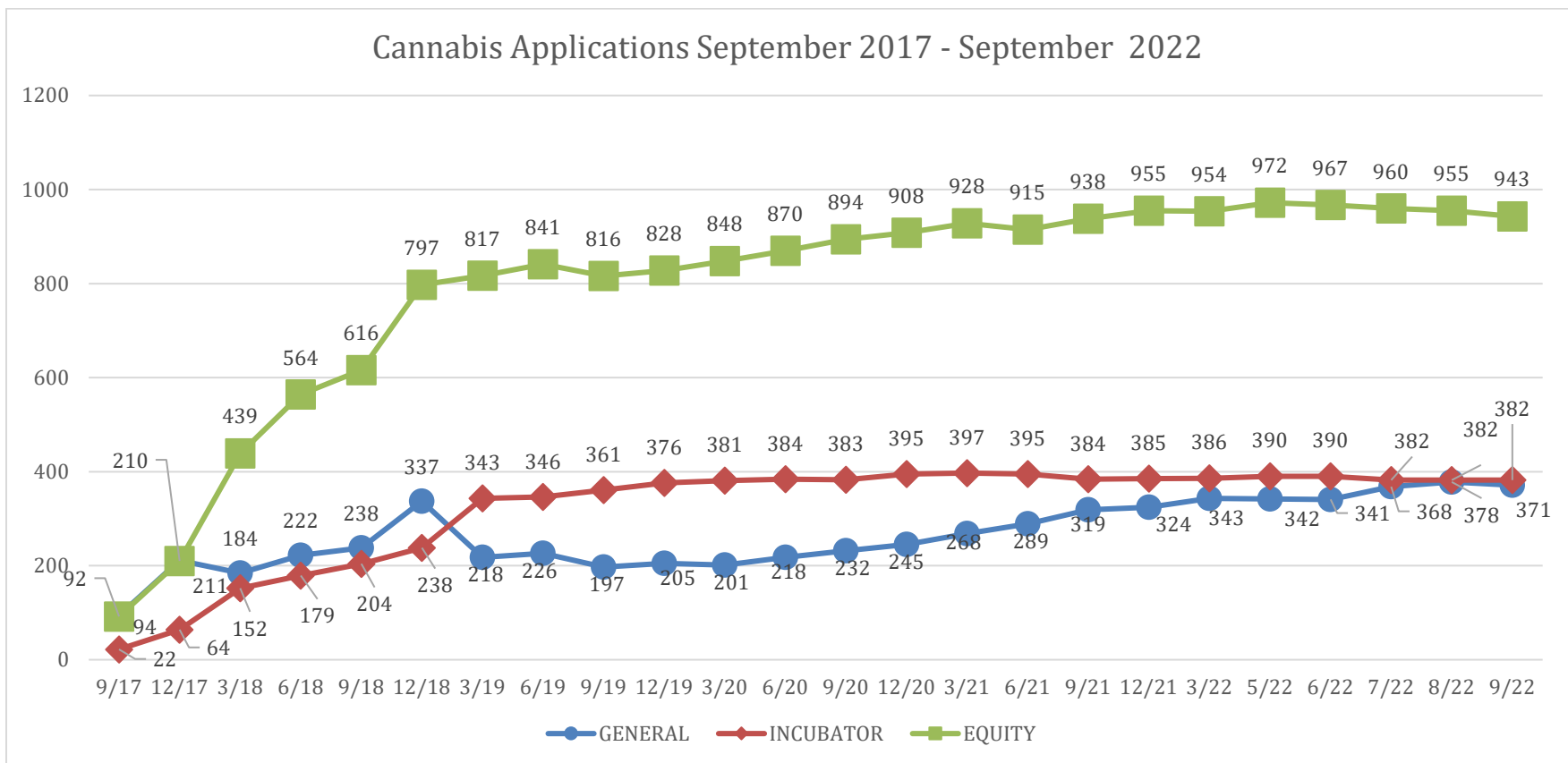
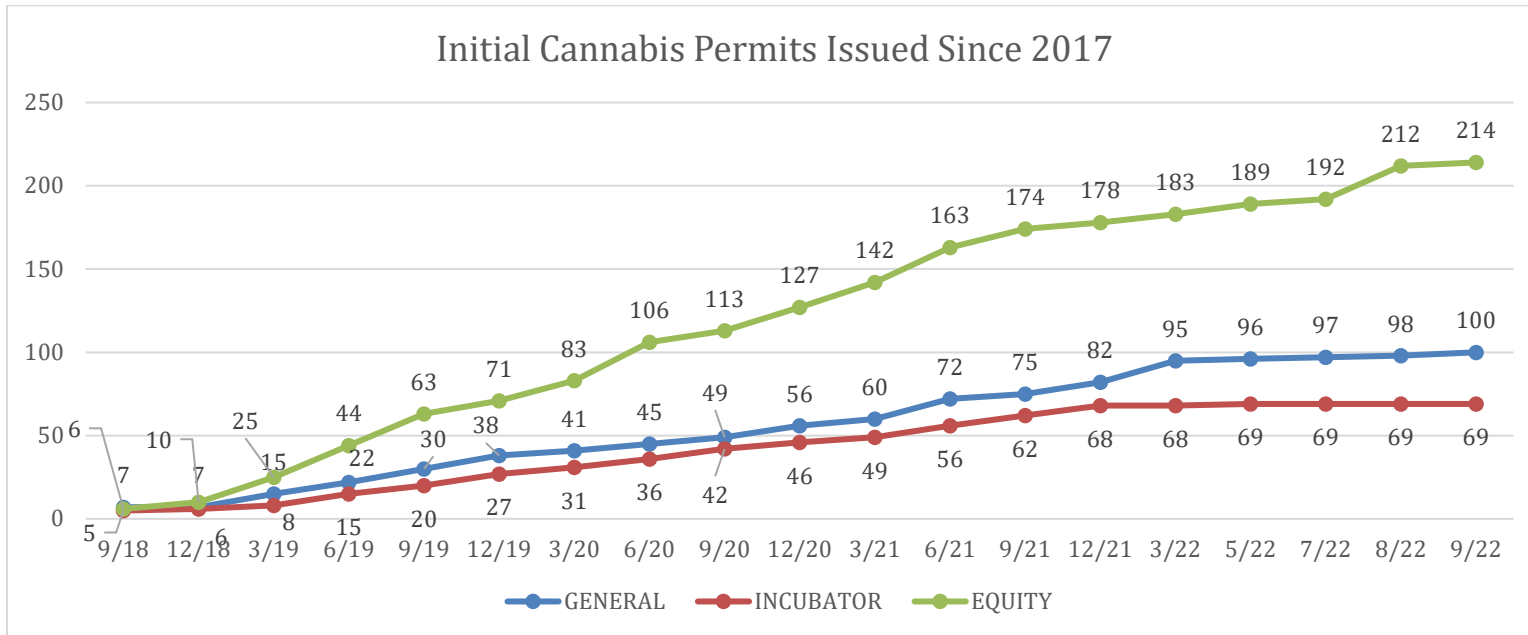


Figure 8: Graph of Cannabis Permits Issued since 2018





MEMORANDUM

TO:	Cannabis Regulatory Commission	FROM:	Rogers Agaba, Interim Revenue & Tax Administrator
SUBJECT:	Cannabis Business Tax Supplemental Information	DATE:	September 30, 2022

SUPPLEMENTAL INFORMATION

On August 11, 2022, the Oakland Cannabis Regulatory Commission (“CRC”) adopted a motion requesting the City’s Finance Department to provide additional information regarding the gross receipts generated and reported by equity and general cannabis businesses dating back to 2018.

Although the City of Oakland’s Equity Program was formerly adopted in the spring of 2017, the existing cannabis business tax rates based on medical and non-medical cannabis remained in place until 2020 when a tiered and category-based structure separating equity and non-equity cannabis became effective following the Oakland City Council’s adoption of Ordinance No. 13753 C.M.S. As a result, this report is being provided to supplement the Finance Department’s May 27 2022¹ Informational Report by providing the requested information for the tax years of 2020 through 2022.

Staff will be available to speak to the information provided herein at the CRC’s meeting on October 6th, 2022. For questions regarding this report, please contact Nicole Andrino, Tax Auditor II, (510) 238-6767.

Respectfully submitted,

Rogers K. Agaba

Rogers Agaba
Interim Revenue and Tax Administrator
Finance Department

¹ Finance Department’s May 27, 2022 [Informational Report](#)

Table 1: Annual Gross Receipts Tax Years (2018 – 2022)

Year	2018	2019	2020	2021	2022
Equity	N/A	N/A	\$21,141,465.27	\$35,974,745.13	\$37,803,609.10
General	N/A	N/A	\$152,193,969.69	\$235,610,581.28	\$207,113,784.78
Total Gross Receipts	\$156,004,834.66	\$165,351,330.48	\$173,335,434.96	\$271,585,326.41	\$244,917,393.88

Table 2: Equity Cannabis Gross Receipts by Activity (2020 – 2022)

Equity Business	2020			2021			2022		
	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
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
Outdoor Cultivation	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
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
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
Total	84	\$21,141,465.27		94	\$35,974,745.13		115	\$37,803,609.10	

Table 3: General Cannabis Gross Receipts by Activity (2020 – 2022)

General Business	2020			2021			2022		
	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
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
Outdoor Cultivation	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
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
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
Total	175	\$152,193,969.69		153	\$235,610,581.28		161	\$207,113,784.78	

Table 4: Year-Over-Year (“YOY”) Changes Annual Gross Receipts (2020 – 2022)

Business Type	2020	2021	YOY Change (in \$)	YOY Change (in %)	2022	YOY Change (in \$)	YOY Change (in %)
	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%
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%
Total	\$173,335,434.96	\$271,585,326.41	\$98,249,891.45		\$244,917,393.88	-\$26,667,932.53	

Table 5: Year-Over-Year (“YOY”) Changes by Activity - Retail Gross Receipts (2020 – 2022)

Retail	2020	2021	YOY Change (in \$)	YOY Change (in %)	2022	YOY Change (in \$)	YOY Change (in %)
	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%
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%
Total	\$102,477,533.80	\$163,501,337.53	\$61,023,803.73		\$137,200,304.15	-\$26,301,033.38	

Table 6: Year-Over-Year (“YOY”) Changes by Activity - Indoor Cultivation Gross Receipts (2020 – 2022)

Indoor Cultivation	2020	2021	YOY Change (in \$)	YOY Change (in %)	2022	YOY Change (in \$)	YOY Change (in %)
	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%
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%
Total	\$15,429,385.07	\$47,342,320.59	\$31,912,935.52		\$40,613,932.58	-\$6,728,388.01	

Table 7: Year-Over-Year (“YOY”) Changes by Activity - Manufacturing Gross Receipts (2020 – 2022)

Manufacturing	2020	2021	YOY Change (in \$)	YOY Change (in %)	2022	YOY Change (in \$)	YOY Change (in %)
	Total Gross Receipts	Total Gross Receipts			Total Gross Receipts		
Equity	\$0.00	\$1,699,036.67	\$1,699,036.67	N/A	\$3,686,342.49	\$1,987,305.82	116.97%
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%
Total	\$12,270,412.93	\$11,583,505.90	-\$686,907.03		\$18,154,672.05	\$6,571,166.15	

Table 8: Year-Over-Year (“YOY”) Changes by Activity - Distribution Gross Receipts (2020 – 2022)

Distribution	2020	2021	YOY Change (in \$)	YOY Change (in %)	2022	YOY Change (in \$)	YOY Change (in %)
	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%
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%
Total	\$27,364,621.71	\$23,399,775.68	-\$3,964,846.03		\$19,122,989.05	-\$4,276,786.63	

Table 9: Year-Over-Year (“YOY”) Changes by Activity - Micro-business Gross Receipts (2020 – 2022)

Micro-business	2020	2021	YOY Change (in \$)	YOY Change (in %)	2022	YOY Change (in \$)	YOY Change (in %)
	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%
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%
Total	\$15,793,481.45	\$25,758,386.71	\$9,964,905.26		\$29,825,496.05	\$4,067,109.34	