

Cannabis Regulatory Commission

Regular Meeting

Thursday, December 6, 2018

MINUTES

Council Chambers, City Hall, One Frank H. Ogawa Plaza

Members:

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

Available on-line at: <https://www.oaklandca.gov/boards-commissions/cannabis-regulatory-commission>

MEETING AGENDA

A. Roll Call and Determination of Quorum

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

Absent: Johnson, Hutcher

B. Open Forum / Public Comment

Alexis Bronson requested that the CRC agendaize a discussion on the equity dispensary process and how the City handles runner-ups. William Taggart offered the website www.dopecpa.cool as a cannabis regulatory resource, and Stephen Cassidy suggested the CRC only allow public speakers to comment once per item.

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

- *Use of cannabis tax revenues (since July 2017)*
- *Annual report (since September 2017)*
- *Onsite consumption/lounges (since October 2017)*
- *OPD updated training bulletin (since March 2018)*

Member Minor mentioned the Public Ethics Commission and City Attorney's Office availability to provide trainings on ethics and parliamentary procedures in upcoming months. Members expressed support for these trainings, however, Member Tucker inquired whether they could take place at time other than the standard meeting time.

Members then raised concerns regarding the issue of whether the CRC has oversight authority over cannabis tax revenues and how the City Attorney's Office has not provided guidance on this and other questions.

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.

Chairperson Yi then moved to form a subcommittee with Vice-Chair Knox to draft a letter to the City Attorney's Office. Vice Chair Knox seconded the motion and it was moved by consensus with Member Minor abstaining.

Member Tucker then moved to remove onsite consumption/lounges from the pending list. Vice-Chair Knox seconded the motion and it was moved by consensus, with both Members Shim and Minor abstaining.

Chairperson Yi inquired regarding the status of OPD's updated training bulletin; Member Minor offered to contact OPD for an update. Chairperson Yi then moved to remove the OPD updated training bulletin from the pending list; Member Tucker seconded the motion and it was moved by consensus with Member Minor abstaining.

D. Approval of the Draft Minutes from the Cannabis Regulatory Commission meeting of September and November 2018.

Vice-Chair Knox moved to approve the September minutes; Member Tucker seconded the motion and it passed with Members Minor and Martin abstaining.

Member Tucker moved to approve the November minutes; Vice-Chair Knox seconded the motion and it passed with Members Minor, Floyd-Johnson, Martin and Hummel abstaining.

E. Reports for Discussion and Possible Action

1. CRC's 2016-2018 Annual Report

Member Minor provided background on the lack of annual reports and the chart summarizing various CRC and cannabis regulatory activity from 2016-2018. Chairperson Yi commented on how the application data has evolved over last two years and suggested the annual report include this data in graphic format.

Chairperson Yi then moved to form a subcommittee to finalize the report that would include Chairperson Yi, Member Martin, Member Hummel, and Member Floyd-Johnson. Vice-Chair Knox seconded the motion and it passed with Member Minor abstaining.

2. Extension of Equity Program's Permit Restrictions

Members engaged in an extensive discussion regarding whether to extend the cannabis ordinances' permitting restrictions and how to further the overall equity program.

Member Hummel stated he was against extending the permitting restrictions but that we need to look at expanding the equity program in other ways.

Member Shim also discouraged extending the permitting restrictions in consideration of general applicants who have been waiting for the initial phase of permitting to end.

Member Floyd-Johnson expressed concern over who would be impacted by the end of the permitting restrictions and a need to gather more information on what is and is not working in order for the CRC to make effective recommendations to the City Council.

Member Martin emphasized that permitting alone is not sufficient for a business to be operational but permitting restrictions are important for disrupting the status quo.

Vice-Chair Knox agreed that permitting was only one component of cannabis business' success and noted that other aspects like technical assistance, fee exemptions and loans will continue to be available to equity applicants. Vice-Chair Knox also emphasized access to capital as being the main obstacle facing equity applicants.

Member Tucker supported extending the permitting restrictions and highlighted that the permitting restrictions created incentives to assist those disproportionately impacted by the war on drugs get into the regulated market. Member Tucker mentioned that he has seen similar programs benefit small businesses in other contexts.

Member Minor mentioned upcoming funding opportunity when state opens applications for local grants under AB 1294 and that past and present surveys of equity applicants can guide our understanding of what equity applicants need to be successful.

There were two public speakers on this item. Robert Raiche discouraged extending the permitting restrictions because it would encourage cannabis businesses to leave Oakland. Orville Meaux encouraged maintaining the permitting restrictions unless a better solution is presented to ensure a successful equity program.

The members introduced two separate motions, both failed to attract a majority of the members present.

First, Member Tucker made a motion to extend the permitting restrictions that was seconded by Vice-Chair Knox. Members Tucker, Knox, Martin and Floyd-Johnson voted in favor, Members Yi, Hummel and Shim opposed, and Member Minor abstained.

Second, Member Tucker accepted an amendment to the original motion from Member Martin to extend the permitting restrictions for three months and Vice-Chair Knox seconded the motion. Tucker, Knox, Martin and Floyd-Johnson voted in favor, Members Yi, Hummel and Shim opposed, and Member Minor abstained.

3. Space Provided Equity Applicants Under Incubator Program

Member Minor provided some background on the draft language attached to the agenda. Member Hummel and Vice-Chair Knox encouraged the City to audit and inspect incubator relationships to ensure equity applicants have adequate space to operate. Chair Yi and Vice Chair Knox debated whether to keep or modify the broad language in the proposed regulation.

During public comment, Stephen Cassidy expressed concern over some of the proposed regulation, including the word "successfully."

Vice-Chair Knox then suggested substituting the word "reasonably" for the word "successfully" in the proposed language and then accepting the rest of language as an administrative regulation. Member Hummel made a motion to adopt Vice-Chair Knox's suggestion, Member Shim seconded the motion and the motion passed by consensus.

F. Announcements

1. Update on Cannabis Permitting Process.

Member Minor provided a brief update on local and state applications. Members Martin, Hummel, Yi and Floyd-Johnson expressed an interest in including a survey of equity applicants in the CRC's forthcoming

annual report.

Member Hummel encouraged people to contact the new City Auditor and encourage her to appoint a representative to the CRC.

G. Adjournment