

Cannabis Regulatory Commission

Regular Meeting

Thursday, March 7, 2019

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, Floyd-Johnson, Minor

Absent: Johnson, Tucker, Hutcher

B. Open Forum / Public Comment

Fernando Alvarez introduced himself as a state licensed cannabis event organizer interested in holding events in Oakland. Della Moran advocated for extending the initial phase of the cannabis permitting process so more equity applicants can benefit from incubation. Maarifa Roho encouraged quick implementation of SB 1294 grant funds so that equity applicants receive the benefits soon.

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)*

Chair Yi moved to amend the "cannabis tax revenues" pending item to "city attorney report." The motion was seconded by Vice-Chair Knox and approved by consensus. Member Floyd-Johnson moved to indicate that a draft of the annual report has been submitted. Chair Yi seconded the motion and it passed by consensus.

D. Approval of the Draft Minutes from the Cannabis Regulatory Commission meeting of January 2019.

Vice-Chair Knox moved to accept the February 2019 minutes as drafted; Member Floyd-Johnson seconded the motion and it passed by consensus.

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.

E. Reports for Discussion and Possible Action

1. CRC's 2016-2018 Annual Report

Member Minor provided an overview of the draft report. Member Hummel questioned whether the demographics detailed in the Composition section were accurate. Chair Yi commented that this could be edited by the Annual Report subcommittee. Vice-Chair Knox expressed concern that some past recommendations by the CRC may not have been included in the report. Members Shim and Floyd-Johnson asked if the report should emphasize the CRC's waiting on clarification from the city attorney and OPD's need to update its training bulletin more, respectively. Chair Yi concluded that an updated report would be back before the CRC next month.

2. SB 1294 Local Equity Grant Program

Member Minor offered an overview of the 2019 Equity Applicant survey, its results, and potential approaches for utilizing SB 1294 funds. Member Hummel expressed support for grants as opposed to loans. Member Martin highlighted the lack of equity manufacturing and the benefits of supporting a facility that could serve multiple operators.

Members of the public suggested SB 1294 funds could support temporary events for equity businesses, dispensaries that only sell equity products, tool lending library, logos for equity businesses, technical assistance, legal assistance, state licensing fees, and job placement programs.

Member Shim moved for the City to use SB 1294 funds towards state licensing fees, bolstering the revolving loan program, continuing technical assistance, subsidizing commercial kitchens in either public facilities or public/private partnerships, and software programs. Member Hummel seconded the motion and it passed by consensus.

3. Cannabis Tax Rates

Members Hummel, Knox, Shim, and Floyd-Johnson expressed support for lowering the City of Oakland's cannabis tax rate to encourage more cannabis businesses to situate and/or remain in Oakland, specifically along the lines of Oakland Citizens for Equity and Prosperity's (OCEP) March 4, 2019 Cannabis Tax Policy Proposal. OCEP's March 4th proposal calls for the City of Oakland to tax all cannabis distributors at the same rate as non-cannabis businesses and all other cannabis operations at 0% if their annual gross receipts are less than \$1 million, 0.75% if annual receipts are between \$1-\$2 million, and 1.5% for annual receipts over \$2 million.

Member Shim then moved to recommend that the City Council adopt OCEP's March 4th recommendations; Vice-Chair Knox seconded the motion and it passed by consensus.

4. Use of Cannabis Tax Revenue

Member Martin encouraged the CRC to look forward and make recommendations to the City Council can use cannabis tax revenue towards those communities harmed in the war on drugs and develop workforce development opportunities in the cannabis industry in addition to promoting business ownership opportunities.

Member Martin then moved to recommend that the City Council apportion a significant portion of cannabis tax revenues towards helping victims of the war drugs by (1) continuing the equity program and (2) community

reinvestment, including workforce development programs. Vice-Chair Knox seconded the motion and it passed by consensus.

F. Announcements

1. Update on Cannabis Permitting Process.

Member Minor provided an update on the permitting process.

G. Adjournment

Vice-Chair Knox announced that Make Green Go is hosting the Second Annual Equity Summit on April 26th with a trade expo highlighting equity products.

Member Hummel encourage people to support Senate Bill 829 for compassionate care programs.