

Thursday, December 6, 2018

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

# AGENDA

### **Members:**

Lanese Martin	District 1	Frank Tucker	District 7
Chang Yi	District 2	Jeff Hatcher	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
- B. Open Forum / Public Comment
- 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)*
- D. Approval of the Draft Minutes from the Cannabis Regulatory Commission meeting of September and November 2018.
- E. Reports for Discussion and Possible Action
  1. CRC's 2016-2018 Annual Report
  2. Extension of Equity Program's Permit Restrictions
  3. Space Provided Equity Applicants Under Incubator Program
- F. Announcements
  1. Update on Cannabis Permitting Process.
- G. Adjournment

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.

# *Cannabis Regulatory Commission*

Special Meeting

Thursday, November 15, 2018

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

## MINUTES

### **Members:**

Lanese Martin	District 1	Frank Tucker	District 7
Chang Yi	District 2	A. Kathryn Parker	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		

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### MEETING AGENDA

#### A. Roll Call and Determination of Quorum

*Present: Yi, Knox, Tucker, Minor*

*Absent: Martin, Shim, Hummel, Johnson, Floyd-Johnson*

*No meeting took place due to lack of quorum, however, some members of the public that were present offered public comment.*

#### B. Open Forum / Public Comment

*Members of the public raised questions and concerns regarding the California Environmental Quality Act (CEQA) requirements, upcoming state licensing deadlines, and dispensary applicants' compliance with the 2017 Request for Permit Application (RFPA) process.*

#### 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)*

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

#### E. Reports for Discussion and Possible Action

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1. CRC's 2016-2018 Annual Report
2. Extension of Equity Program's Permit Restrictions
3. Space Provided Equity Applicants Under Incubator Program

F. Announcements

1. Update on Cannabis Permitting Process.
2. Launch of Revolving Loan Program.
3. Opening of First Equity-Owned Dispensary, Blunts and Moore at 701 66<sup>th</sup> Avenue

G. Adjournment

# *Cannabis Regulatory Commission*

Regular Meeting

Thursday, September 6th, 6:30 p.m.  
Council Chambers, City Hall, One Frank H. Ogawa Plaza

## MINUTES

### *Members:*

Lanese Martin	District 1	Frank Tucker	District 7
Chang Yi	District 2	A. Kathryn Parker	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: <http://www.oaklandnet.com/measurez>

## MEETING AGENDA

### A. Roll Call and Determination of Quorum

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

#### 1. Appointment of *Chair Pro Tem*

*Member Shim moved to appoint Member Knox as the Chair Pro Tem. Member Floyd-Johnson seconded the motion and it passed by consensus.*

### B. Open Forum / Public Comment

### 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)*
- *Disposal of cannabis waste (since July 2018)*

### D. Approval of the Draft Minutes from the Cannabis Regulatory Commission meeting of June 2018.

*Member Tucker moved to approve the minutes, Member Shim 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.

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E. Reports for Discussion and Possible Action

1. Extending Dispensary Hours of Operation.

*Approximately six speakers spoke in favor of extending dispensary operating hours. Speakers emphasized that this would assist their customers who often visit dispensaries on their way to work or after they leave work. Speakers also claimed extended hours would lead to increased City tax revenue, more wages for workers and help Oakland dispensaries compete with dispensaries in other jurisdictions as well as delivery services.*

*Member Tucker inquired with staff as to the origin of Oakland's restrictions on dispensary operating hours and Member Minor provided background.*

*Member Tucker moved for the City Administration to amend its regulations to extend dispensary operating hours to 10pm, Member Shim seconded the motion. Member Knox offered an amendment to the motion for the City to align with state restrictions on dispensary operating hours; Member Tucker accepted the amendment and the motion passed by consensus.*

2. Holding Cannabis and Alcohol Licenses.

*Member Minor offered context behind the City of Oakland's cannabis ordinance's restrictions on the holding of alcohol and cannabis licensing as compared to state ABC restrictions.*

*Member Tucker moved to recommend that the City Council modify the City's cannabis ordinances to allow for an entity or individual to hold both an ABC and a dispensary license if they were located at separate locations per the ABC FAQ. Member Shim seconded the motion and it passed by consensus.*

F. Announcements

1. Update on Cannabis Permitting Process.

*Member Minor provided an update on application and permit statistics as well as the forthcoming revolving loan program.*

2. Annual State Licensing Approval Process.

*Member Minor announced that he is working with other city departments on potentially developing a standard for approving annual licenses for operators that were moving forward in good faith but have not yet fully completed the local permitting process.*

G. Adjournment

**CANNABIS REGULATORY COMMISSION**  
**ITEM E-1**



**DRAFT CANNABIS REGULATORY COMMISSION 2016-2018 ANNUAL REPORT SUMMARY**

	2016	2017	2018
<b>State Actions</b>	<ul style="list-style-type: none"> <li>California Voters Pass the Adult Use of Marijuana Act (AUMA) or Proposition 64</li> </ul>	<ul style="list-style-type: none"> <li>State Legislature Consolidates Medical Cannabis and Regulation Act (MCRSA) with AUMA via Medical and Adult Use of Cannabis Regulation and Safety Act (MAUCRSA)</li> <li>State Agencies Release Initial Regulations</li> </ul>	<ul style="list-style-type: none"> <li>State Agencies Introduce Updated Regulations and Propose Further Regulations</li> <li>The Legislature Considers and Passes Numerous Cannabis Related Bills</li> </ul>
<b>City Council/City Administration Actions</b>	<ul style="list-style-type: none"> <li>City Council Enacts Initial Equity Program and OMC Updates</li> <li>City Council Considers Various Proposals to Amend Initial Equity Program</li> <li>City Council Directs the City Administration to Conduct a Race and Equity Analysis of the Different Proposals</li> </ul>	<ul style="list-style-type: none"> <li>City Administration Presents Race and Equity Analysis</li> <li>City Council Enacts Revised Equity Permit Program</li> <li>City Council Funds Technical and Financial Assistance via Incoming New Cannabis Tax Revenue</li> <li>City Council Further Amends OMC to Incorporate Adult Use and Temporary State License Process</li> <li>Applications for Non-Dispensary Permits Become Available</li> <li>Applications for 8 New Dispensary Permits Accepted</li> <li>Establish a Permitting Process for Cannabis Events</li> <li>Allow for Shared Space</li> </ul>	<ul style="list-style-type: none"> <li>Eight New Dispensary Operators Selected</li> <li>City Council Amends OMC 5.80 and 5.81 to Protect Work-Live and Residential Premises</li> <li>City Council Passes Clean-Up Amendments</li> <li>City Council Places Ballot Measure re Cannabis Tax Policy Before Oakland Voters</li> </ul>
<b>CRC Recommendations Adopted by State, City Council, or City Administration</b>	<ul style="list-style-type: none"> <li>Passage of Proposition 64</li> <li>Expand Equity Qualifying Police Beats</li> <li>Expand Size of Personal Cultivation</li> <li>Allow Onsite Consumption at Dispensaries</li> </ul>		<ul style="list-style-type: none"> <li>Protect Live-Work and Residential Premises</li> </ul>



**DRAFT CANNABIS REGULATORY COMMISSION 2016-2018 ANNUAL REPORT SUMMARY**

	2016	2017	2018
<p><b>CRC Recommendations Not Yet Adopted by State, City Council, or City Administration</b></p>	<ul style="list-style-type: none"> <li>• Cannabis Job Training</li> <li>• Clarify Legal Paths for Discarding Cannabis Waste</li> <li>• Improve Banking Access for Cannabis Businesses</li> <li>• Expedite Building and Fire Permitting</li> <li>• Less Criminal Enforcement of Cannabis Offenses and Less Disparate Enforcement Outcomes by Race</li> </ul>	<ul style="list-style-type: none"> <li>• Formalize CRC's advisory role for all City cannabis matters</li> <li>• Expand the Areas Where Cannabis Activity is Allowed</li> </ul>	<ul style="list-style-type: none"> <li>• Formalize CRC's Role re Oversight of Spending of Cannabis Revenues Received</li> <li>• Eliminate Taxes for Compassion Programs</li> </ul>
		<ul style="list-style-type: none"> <li>• Remove Limit on the Number of Dispensary Permits</li> </ul>	<ul style="list-style-type: none"> <li>• Establish Oakland is a Sanctuary City Policy for Cannabis</li> </ul>

**CANNABIS REGULATORY COMMISSION**  
**ITEM E-3**

## PROPOSED UPDATE TO CANNABIS OPERATOR REGULATIONS

### Equity Permit Program

32. In order to receive City benefits under the Equity Assistance Program, such as fee waivers, and technical or financial assistance, Equity applicants must annually submit income and residency documents to the City Administrator, or his/her designee, that verify their equity status.

33. General Applicants that the City approved as incubators based on their commitment to provide security measures and three years of free real estate or rent for a minimum of 1,000 square feet for an Equity applicant to conduct its business operations must continue to provide this free space and security for the three-year period, regardless of whether the Initial Permitting Phase has expired. This three-year period commences when the equity applicant obtains access to the space for operating its business.

34. To preserve a General Applicant's incubator status, the Equity applicant being incubated needs to be operating an active cannabis business.

35. The space provided to equity applicants under the incubator program must serve the equity applicant's business operations and be sufficient for the equity applicant to successfully conduct a cannabis business. Examples of acceptable space include space for storage of cannabis products, space for manufacturing or cultivation of cannabis and cannabis products, and space for vehicles used to transport cannabis products. Examples of unacceptable space include restrooms, closet space, and parking for vehicles not required for transport of cannabis products.

36. Equity applicant ownership must satisfy the definition of "ownership" under OMC Section 5.80 and 5.81 such that the equity qualifying individuals maintain control over at least half of the cannabis operation.

**CANNABIS REGULATORY COMMISSION**  
**ITEM F-1**

	TOTALS	PENDING	GRAND TOTAL
Total Complete & Incomplete Applications	1339	71	1410
Total Complete Applications	1268		
Complete General Applications	543		
Equity Applications based on residency	627		
Equity Applications based on conviction	98		
Incubators	291		
Interested in Incubating	38		
Complete Application with property	923		
Complete Application without property (Equity)	294		
Complete Applicants without property (General)	51		
	1268		

<b>COMPLETED APPLICATIONS BY BUSINESS TYPE</b>	<b>GENERAL</b>	<b>INCUBATOR*</b>	<b>INTERESTED IN INCUBATING*</b>	<b>EQUITY</b>
Delivery	127	47	5	180
Cultivator (Indoor)	123	61	20	118
Cultivator (Outdoor)	5	4		33
Distributor	123	74	8	184
Mfg. Volatile	66	46		47
Mfg. Non-Volatile	89	52	5	113
Transporter	7	4		35
Lab Testing	3	3		15
<b>GRAND TOTALS</b>	<b>543</b>	<b>291</b>	<b>38</b>	<b>725</b>

\*These numbers are part of the General Total

12/2/2018

12/3/2018

**LOCALLY AUTHORIZED FOR TEMPORARY STATE LICENSE**

	<b>Delivery</b>	<b>Distribution</b>	<b>Cultivation</b>	<b>Lab Testing</b>	<b>Mfg. V</b>	<b>Mfg. NV</b>	<b>Transport</b>	
<b>EQUITY</b>	82	59	26	3	5	32	8	215
<b>INCUBATORS</b>	28	53	38	2	22	39	1	183
<b>GENERALS</b>	7		1	0	0	4		12
<b>TOTALS:</b>	<b>117</b>	<b>112</b>	<b>65</b>	<b>5</b>	<b>27</b>	<b>75</b>	<b>9</b>	<b>410</b>

12/2/2018