

# *Cannabis Regulatory Commission*

Special Meeting

Thursday October 3, 2024 6:30 pm

1 Frank Ogawa Plaza, City Hall, 3<sup>rd</sup> Floor City Council Chambers  
Oakland, CA 94612

## AGENDA

Reminder: This meeting will take place in person. Members of the public can observe and participate remotely via zoom as well.

### **PUBLIC PARTICIPATION INSTRUCTIONS**

#### **TO OBSERVE:**

- Attend in person; or
- To observe the meeting by video conference, please click the link below to join the webinar:  
<https://us06web.zoom.us/j/85019341834>
- To listen to the meeting by phone, please call the numbers below at the noticed meeting time: Dial (for higher quality, dial a number based on your current location):

US: +1 669 900 9128 or +1 346 248 7799 or +1 253 215 8782 or +1 312 626 6799 or +1 646 558 8656  
or +1 301 715 8592

For each number, please be patient and when requested, dial the following Webinar ID: 850 1934 1834

After calling any of these phone numbers, if you are asked for a participant ID or code, press #. Instructions on how to join a meeting by phone are available at: <https://support.zoom.us/hc/en-us/articles/201362663>, which is a webpage entitled “Joining a Meeting By Phone.”

**TO PROVIDE PUBLIC COMMENT:** There are two ways to make public comment within the time allotted for public comment on an eligible Agenda item.

- Attend in person; or
- Comment in advance. To send your comment 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 comments will be provided to the Cannabis Regulatory Commission prior to the meeting.
- Comment virtually. When public speakers are called for an item please raise your hand in zoom and unmute yourself. If you have dialed in, please press “9” to raise your hand and “\*6” to unmute.

If you have any questions about these protocols, please e-mail Greg Minor, at [gminor@oaklandca.gov](mailto:gminor@oaklandca.gov)

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.

**Members:**

Samantha Sage	District 1	Hellen Harvey	District 7
M. Chaz Walker	District 2	Chaney Turner	At Large
Zachary Gayner	District 3	Yulie Padmore	Mayor
Tariq Ikharo	District 4	TiYanna L. Smith	City Auditor
Linda Grant	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 June 6, 2024
- C. Reports for Discussion and Possible Action
1. Annual Report on Cannabis Business Taxes from the Revenue Management Bureau
  2. Onsite Consumption Proposal
  3. Updating CRC Bylaws to Clarify the CRC's Purpose, Allow for Remote Public Comment, Establishing Meeting Cadence, Add Conflict of Interest Policy and Establish Procedures for Agenda Items
  4. Potential Change to Proposition 64 Health and Safety Grant Cohort Two Security Funds
  5. Community Meetings for Cannabis Applications within 300 Feet of Residential Zones
  6. 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)*
  - *Planning Department Discussion re Zones Eligible for Cannabis Businesses (since October 2022)*
  - *CRC Attendance Policy (since November 2023)*
  - *Contracting Hazardous Materials Inspections (since November 2023)*
  - *Enforcement of CUP beautification requirements (since January 2024)*
- 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 June 6, 2024 6:30 pm

## MINUTES

1 Frank Ogawa Plaza, City Hall, 3<sup>rd</sup> Floor City Council Chambers  
Oakland, CA 94612

Reminder: This meeting will take place in person. Members of the public can observe remotely via zoom but must attend in person in order to participate.

### **PUBLIC PARTICIPATION INSTRUCTIONS**

#### **TO OBSERVE:**

- Attend in person; or
- To observe the meeting by video conference, please click the link below to join the webinar:  
<https://us02web.zoom.us/j/87884061642>
- To listen to the meeting by phone, please call the numbers below at the noticed meeting time: Dial (for higher quality, dial a number based on your current location):

US: +1 669 900 9128 or +1 346 248 7799 or +1 253 215 8782 or +1 312 626 6799 or +1 646 558 8656  
or +1 301 715 8592

For each number, please be patient and when requested, dial the following Webinar ID: 878 8406 1642

After calling any of these phone numbers, if you are asked for a participant ID or code, press #. Instructions on how to join a meeting by phone are available at: <https://support.zoom.us/hc/en-us/articles/201362663>, which is a webpage entitled “Joining a Meeting By Phone.”

**TO PROVIDE PUBLIC COMMENT:** There are two ways to make public comment within the time allotted for public comment on an eligible Agenda item.

- Attend in person; or
- Comment in advance. To send your comment 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 comments will be provided to the Cannabis Regulatory Commission prior to the meeting.

If you have any questions about these protocols, please e-mail Greg Minor, at [gminor@oaklandca.gov](mailto:gminor@oaklandca.gov)

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.

**Members:**

Vacant	District 1	Hellen Harvey	District 7
M. Chaz Walker	District 2	Chaney Turner	At Large
Taib Alaoui	District 3	Yulie Padmore	Mayor
Tariq Ikharo	District 4	TiYanna Long	City Auditor
Erika Cisneros	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: Walker, Ikharo, Harvey, Turner, Long, Minor*

*Absent: Alaoui, Cisneros, Padmore*

*Chair Turner welcomed new CRC member Chaz Walker.*

B. Approval of the Draft Minutes from the CRC Meeting on March 7, 2024

*Chair Turner moved to approve the minutes. Vice-Chair Long seconded the motion and it was approved with Member Ikharo and Walker abstaining.*

C. Reports for Discussion and Possible Action

1. Cannabis Administrative Prosecutor Program (CAPP)

*Deputy Attorney General Justin Buller provided an overview of the CAPP program, noting that it is not a program for criminal prosecution but rather a way to provide local jurisdictions with additional resources to address unpermitted cannabis activities like any other unpermitted land use.*

*Vice-Chair Long and Chair Turner asked follow up questions and the CRC raised no objections to the CAPP program moving forward to City Council.*

2. Cannabis Paid Internship Program

*Xavier Navarro with Case For Cannabis (C4C) presented a powerpoint sharing background and highlights to date regarding C4C's workforce development initiative with the City of Oakland. The program is in the middle of its first cohort and will launch a second cohort later this summer.*

*Vice Chair Long encouraged C4C to return to the CRC next summer to share outcomes from the project. Vice Chair Long also asked staff to include the C4C powerpoint in the June 2024 CRC meeting minutes.*

3. Emerald Cup on August 17<sup>th</sup> and 18<sup>th</sup> at Henry J. Kaiser Center

*Tim Blake provided history about the Emerald Cup and expressed his excitement for bringing the event to Oakland and the historic Henry J. Kaiser Center in August. Member Walker stated that this event is a great opportunity for Oakland to promote cannabis tourism and asked if the Emerald Cup planned on hiring locals.*

*Member Ikharo shared concerns regarding public safety and his hope for a safe event. Chair Turner and Vice Chair Long then expressed their support for the event.*

#### 4. Draft Regulations re the Approval Process for Transferring Permits

*Member Minor provided background on the history of this item, including the CRC's role. Vice-Chair Long, Chair Turner, and Member Walker expressed support for the proposed language, particularly given the length of time this proposal has been developed. Chair Turner moved to approve the regulations as drafted. Vice Chair Long seconded the motion and it passed by consensus.*

#### 5. Implementation Update on State Grants

*Member Minor provided an update on the various state grants including the launch of the Go-Biz 5 grant application. Member Minor also noted the challenges of disbursing enough of the BSCC Cohort 3 grant funds to operators to cover the cost of onsite security guards and staff's interest in consolidating security related funding under that grant towards supporting the costs of onsite security as opposed to covering both onsite security and physical and technological measures. Chair Turner then made a motion to agendize this topic at the next CRC meeting. Member Walker seconded the motion and it passed by consensus.*

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

- *Building and Fire Baseline Permitting Timelines (since January 2022)*
- *Planning Department Discussion re Zones Eligible for Cannabis Businesses (since October 2022)*
- *Updated Information from Finance Department (since October 2023)*
- *CRC Attendance Policy (since November 2023)*
- *Contracting Hazardous Materials Inspections (since November 2023)*
- *Enforcement of CUP beautification requirements (since January 2024)*

*Member Minor offered to speak with colleagues in the Planning and Finance Departments regarding whether they are available to present at the next CRC meeting and Member Minor also stated he would contact the City Attorney's Office regarding allowing public speakers to comment remotely during CRC meetings.*

*CRC members then noted that they were available for a special CRC meeting on Thursday July 18<sup>th</sup> in lieu of the regular July meeting time that would fall on the July 4<sup>th</sup> holiday.*

#### E. Open Forum / Public Comment

*Dale Gehringer wanted the CRC to be aware of potential legislative efforts to ban smoking in apartment buildings, including smoking of cannabis.*

#### F. Announcements

1. Cannabis Regulatory Commission 2022-2023 Annual Reports Scheduled for the June 11<sup>th</sup> City Council Community Economic Development Committee Meeting
2. Request for Proposals:
  - a. [Cannabis Equity Public Awareness Campaign](#)
  - b. [Grant Evaluator](#)
3. Update on Cannabis Permitting Process
4. Apply to serve on CRC here:  
<https://oakland.granicus.com/boards/w/8552f8c4c0e15460/boards/6697>

G. Adjournment



## Cannabis Regulatory Commission

---

**TO:** Cannabis Regulatory Commission

**FROM:** Greg Minor  
Deputy Director, Economic  
and Workforce  
Development Department

**SUBJECT:** October 2024 Agenda Items

**DATE:** September 30, 2024

---

### ITEM C (1) Annual Report on Cannabis Business Taxes from the Revenue Management Bureau

Since 2020 the Finance Department's Revenue Management Bureau (RMB) has provided the CRC with an annual report on taxes collected from Oakland cannabis businesses along with related financial information that offer insights into the state of the City's cannabis industry. Please find the RMB's 2024 report on cannabis business taxes enclosed in this agenda packet.

### ITEM C (2) Onsite Consumption Proposal

Please see enclosed a memo from Office of Councilmember Kaplan regarding potential amendments to the City's existing onsite consumption permit regulations under [Oakland Municipal Code \(OMC\) 5.80.025](#)

### ITEM C (3) Updating CRC Bylaws to Clarify the CRC's Purpose, Allow for Remote Public Comment, Establishing Meeting Cadence, Conflict of Interest Policy, and Establish Procedures for Agenda Items

At the June 2024 CRC meeting, CRC members encouraged staff to explore facilitating remote public comment via zoom, which led staff to consult with the City Attorney's Office and review the CRC's bylaws. In the process, staff observed that the last time the CRC considered

amendments to its bylaws in February 2021, the CRC did not realize the amendments to its bylaws as staff did not post the proposed amendments fifteen (15) days in advance of the meeting as required by the bylaws.

Accordingly, staff has included proposed amendments in underline to the CRC's bylaws that include both the intended 2021 amendments (to establish a conflict of interest policy and procedures for agenda items) as well as new proposed amendments to (i) clarify the CRC's purpose, (ii) establish a meeting cadence, and (iii) allow for remote public comment. With respect to the CRC's purpose, staff added language regarding the CRC's role advising the City Council on the implementation of adult use legalization to align with [the City Attorney's 2019 Frequently Asked Questions memo regarding the CRC](#). In terms of meeting cadence, staff has offered a quarterly meeting cadence for the CRC's consideration; this recommendation reflects the fact that much of the initial activity around state cannabis legalization has slowed in recent years, monthly meetings require more City resources and time of CRC members, and that fewer meetings may result in more action taking place when the CRC does meet. Lastly, staff has added language to explicitly authorize remote public comment at CRC meetings.

#### ITEM C (4) Potential Change to Proposition 64 Health and Safety Grant Cohort Two Security Funds

In 2023 the City received a five-year \$3 million [Proposition 64 Health and Safety Cohort 3 Grant](#), which consists of (i) security measures for Oakland's licensed cannabis operators and (ii) a public education campaign to support Oakland equity operators as outlined below. After one year of implementation, staff is interested in improving the efficiency of the program, specifically by consolidating all security funding under the category of grants to support onsite security. This will allow the City to provide more funding to operators faster and reduce the amount of staff time processing grant agreements over the next four years.

USES	YEAR 1 FY 23-24	DISBURSED	BALANCE	YEAR 2 FY 24-25	YEAR 3 FY 25-26	YEAR 4 FY 26-27	YEAR 5 FY 27-28	TOTALS
Half of Program Analyst III	-	-	-	100,000.00	105,000.00	110,000.00	115,000.00	430,000.00
Equity Public Awareness Consultant	45,000.00	-	45,000.00	45,000.00	45,000.00	45,000.00	45,000.00	225,000.00
3rd Party Evaluator	-	-	-	20,000.00	20,000.00	20,000.00	20,000.00	80,000.00
Grants to Secure Facilities	-	-	-	-	200,000.00	200,000.00	200,000.00	600,000.00
Grants for Support Onsite Security	332,000.00	165,999.96	166,000.04	332,000.00	332,000.00	332,000.00	332,000.00	1,660,000.00
RFP Advertising	5,000.00	3,291.08	1,708.92	-	-	-	-	5,000.00
<b>TOTALS:</b>	<b>382,000.00</b>	<b>169,291.04</b>	<b>212,708.96</b>	<b>497,000.00</b>	<b>702,000.00</b>	<b>707,000.00</b>	<b>712,000.00</b>	<b>3,000,000.00</b>

ITEM C (5) Community Meetings for Cannabis Applications within 300 Feet of Residential Zones

In 2018 the City Council added community meetings as a requirement for any cannabis use that is within 300 feet of a residential zone. Previously, the City only required cannabis businesses that were open to the public (dispensaries) to undergo a public meeting prior to receiving a cannabis permit. In 2018 the City expanded the public meeting requirement to any cannabis use near residential zones to provide an opportunity for cannabis operators to present their proposed use to nearby residents and to hear any concerns or suggestions neighbors have, with the ultimate goal of clarifying any misconceptions and addressing neighborhood specific issues before a cannabis operation is approved.

As currently written, this requirement appears to require any new cannabis permit application within 300 feet of a residential zone to undergo a community meeting, regardless of whether a prior applicant underwent a community meeting for the same location or an applicant underwent a community meeting for another unit on the same property. Staff is highlighting this issue for the CRC to consider whether to clarify that this is a one-time requirement per property or unit or rather a requirement for any new application.

ITEM C (6) Implementation Update on State Grants

Oakland’s pioneering race and equity analysis of the cannabis industry and creation of an Equity Program inspired jurisdictions across the country to pursue and support similar programs. Then starting in 2019 the State of California set aside annual grant funding to support local jurisdictions’ cannabis equity programs. **Table A** outlines the amount of funding the City has received from the State of California for its Equity Program, Oakland’s ranking among local jurisdictions each year, and the total amount of funding set aside by the State of California that year.

**Table A: Oakland’s Receipt of Local Equity Grant Funding**

<b>State Funding Agency</b>	<b>Fiscal Year (FY)</b>	<b>Amount of Funding Received</b>	<b>Oakland's Ranking Among Local Jurisdictions</b>	<b>Total Amount of Funding Available Statewide</b>
BCC <sup>1</sup>	FY 2019-2020	\$1,657,201.65	2nd	\$10 million
Go-Biz	FY 2019-2020	\$6,576,705.76	1st	\$30 million
Go-Biz	FY 2020-2021	\$2,434,712.51	1st	\$15 million
Go-Biz	FY 2021-2022	\$5,435,140.82	2nd	\$35 million
Go-Biz	FY 2022-2023	\$1,996,487.50	1st	\$15 million
Go-Biz	FY 2023-2024	\$3,000,000	1st	\$15 million

In addition to Go-Biz grants, in 2022 the City of Oakland received a three-year \$9,905,020 Local Jurisdiction Assistance Grant (LJAG) from the Department of Cannabis Control (DCC) to support the transition of cannabis operators from a provisional to an annual state license. Unfortunately, the DCC has denied the City’s request to repurpose unspent funding on City staff towards grants to operators to bring their buildings into compliance, which makes it unlikely the City will disburse all funding.

Finally, in 2021 and 2023 the City received grants from the Board of State and Community Corrections (BSCC) to address the impacts of cannabis legalization. **Figures 1-4** provide status updates on these various state grants.

---

<sup>1</sup> Initially the Bureau of Cannabis Control, the predecessor to the Department of Cannabis Control, disbursed Local Equity Grant funding.

**Figure 1- Local Jurisdiction Assistance Grant (2022-2025)**

<b>USES</b>	<b>COST IN ONE YEAR</b>	<b>COST OVER THREE YEARS</b>	<b>DISBURSED</b>	<b>BALANCE</b>
Grants to Provisionally Licensed Equity Applicants	\$547,218.50	\$1,722,655.50	\$1,625,000.00	\$97,655.50
Special Activity Permit Technician	\$166,810.00	\$500,430.00	\$21,893.98	\$478,536.02
Planning CEQA Review	\$9,237.00	\$27,710.00	0.00	\$27,710.00
Program Analyst for Processing Grants	\$198,640.00	\$595,920.00	\$307,250.20	\$288,669.80
Process Coordinator II in Building Bureau	\$175,696.00	\$527,088.00	0.00	\$527,088.00
Overtime for Civil Engineers to Review Plans	\$591,075.00	\$1,773,224.00	\$32,889.66	\$1,740,334.34
Overtime for Code Enforcement	\$78,115.80	\$234,347.00	\$35,946.10	\$198,400.90
Hazardous Materials Inspector II	\$193,545.00	\$580,638.00	0.00	\$580,638.00
Overtime for Fire Plan Engineers to Review Plans	\$73,760.00	\$221,280.00	0.00	\$221,280.00
Overtime for Fire Code Enforcement	\$61,824.00	\$185,472.00	\$10,638.87	\$174,833.13
Overtime for Municipal Code Enforcement Officers for Security Inspections	\$50,000.00	\$150,000.00	\$73,339.53	\$76,660.47
Annual CPTED Training for Municipal Code Enforcement Officers	\$1,200.00	\$3,600.00	921.00	\$2,679.00
Establishing/Maintaining Accela Module for Cannabis Permit Tracking	\$310,000.00	\$430,000.00	\$66,542.75	\$320,628.50
Grants to Meet Security Requirements	\$574,218.50	\$1,722,655.50	1,457,737.39	\$264,918.11
Consultant (4Front Partners) to Administer Loan/Grant Programs	\$160,000.00	\$480,000.00	475,774.89	\$4,225.11
Consultant (Knox & Ross) to Provide Legal Assistance to Equity Applicants	\$125,000.00	\$375,000.00	\$282,250.00	92,750.00
Consultant (Oaksterdam) to Provide Technical Assistance to Equity Applicants	\$125,000.00	\$375,000.00	\$281,494.00	\$93,506.00
<b>TOTALS</b>	<b>\$3,441,339.80</b>	<b>\$9,905,020.00</b>	<b>\$4,671,678.37</b>	<b>\$5,233,341.63</b>

Figure 2- Original and Current Uses of Proposition 64 Cohort Two Grant (2021-2024)

	BUDGETED	DISBURSED	BALANCE
<b>CONSULTANTS</b>			
<i>Preventative and Intervention Activities for Youth (\$280,000)</i>			
<i>Develop and Support Youth Awareness Campaign (\$163,306)</i>			
Public Health Institute (PHI)	\$443,306.00	\$443,306	\$0
<i>Public Outreach Campaign to Adults</i>			
Make Green Go (MGG)	\$75,000.00	\$75,000.00	\$0
<i>Evaluator</i>			
LMB CREATIVE (LMB)	\$80,000.00	\$72,000.00	\$8,000.00
<b>SALARIES</b>			
Officer John Romero	\$112,329.00	\$67,854.12	\$44,474.88
Petural Shelton (PJ)	\$231,000.00	\$230,999.99	\$.01
<b>MISC.</b>			
Indirect Costs and Overhead	\$27,000.00		\$27,000.00
Meeting Supplies and Notifications	\$29,059.00	\$2,474.20	\$26,584.80
<b>TOTAL</b>	<b>\$997,694.00</b>	<b>\$891,634.31</b>	<b>\$106,059.69</b>

**Figure 3: 2023-2024 Go-Biz (GO-Biz 4) Grant Funds**

	<b>CATEGORY ALLOCATED</b>	<b>DISBURSED</b>	<b>BALANCE</b>
Grants/Loans			
Grants	\$1,796,838.75	\$1,751,546.90	\$45,291.85
Loans	\$0.00		
Consultant-4Front	\$123,979.75	\$78,968.75	\$45,011.00
Salary	\$75,669.00	\$38,574.46	\$37,094.54

**Figure 4: 2024-2025 Go-Biz (GO-Biz 5) Grant Funds**

	<b>CATEGORY ALLOCATED</b>	<b>DISBURSED</b>	<b>BALANCE</b>
Grants	\$3,000,000	\$750,000	\$2,250,000

ITEM F (1) Update on Cannabis Permitting Process

Below please find cannabis permitting statistics from 2017 to present day for the CRC's review, including additional categories as well as application and permit trend graphs.

**Figure F-1: Application Totals**

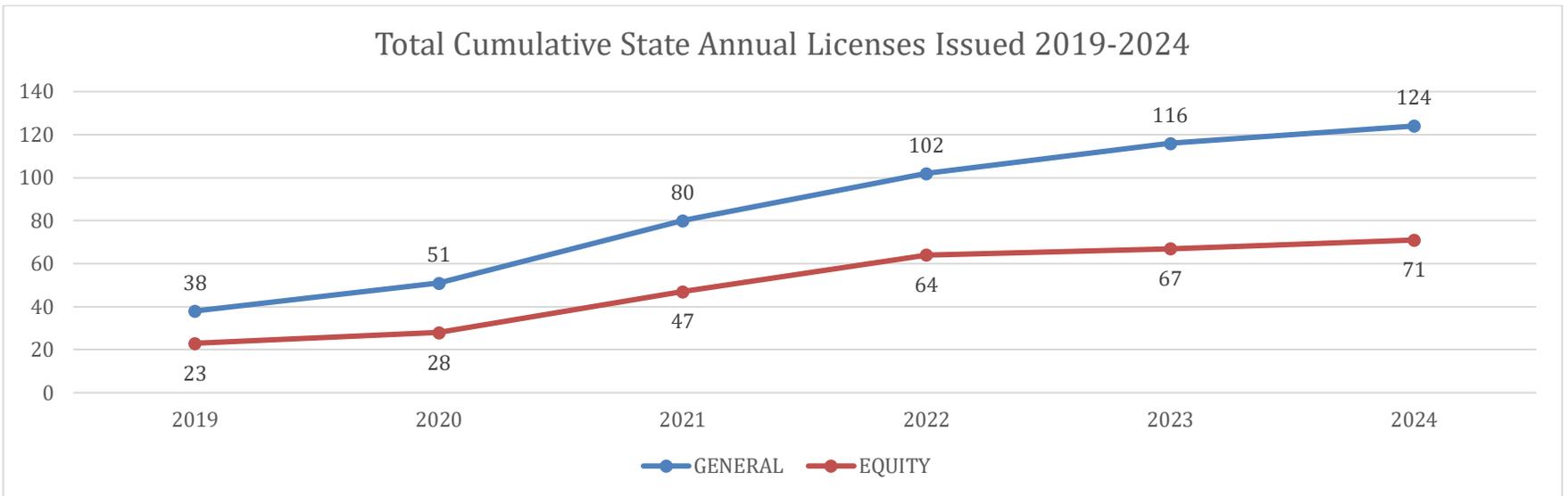
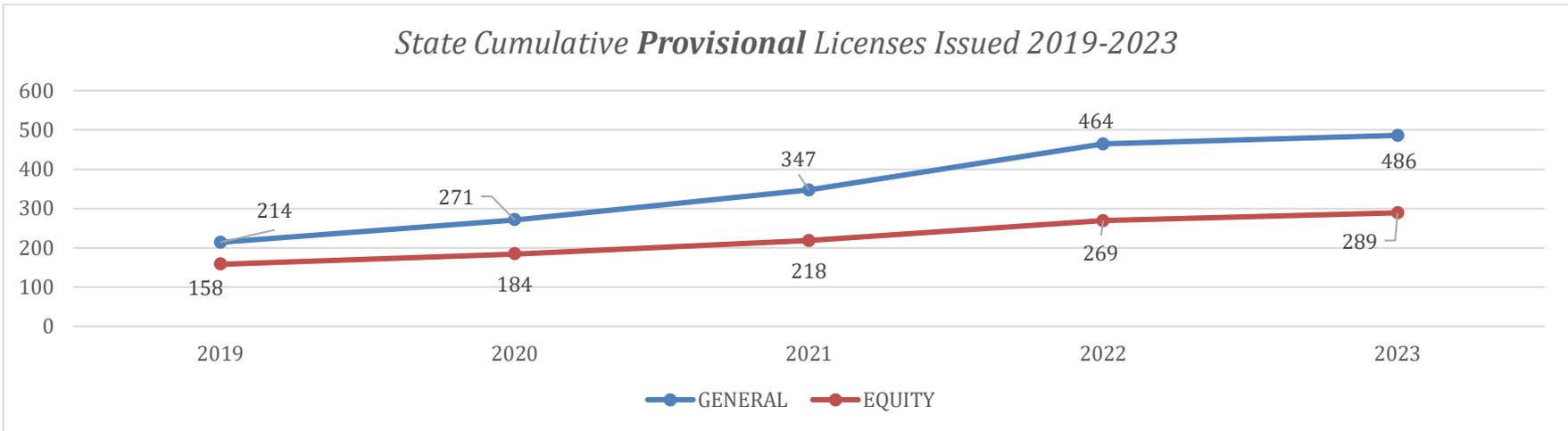
<b>APPLICATIONS</b>	<b>TOTALS</b>	<b>PENDING</b>
Total Complete & Incomplete Applications	1418	142
Total Complete Applications	1418	
Complete General Applications	604	
Equity Applications based on residency	713	
Equity Applications based on conviction	99	
Incubators	278	
Interested in Incubating	19	
Complete Application with property	884	
Complete Application without property (Equity)	433	
Complete Applicants without property (General)	99	

**Figure F-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	129	48	3	216
Cultivator (Indoor)	214	88	10	124
Cultivator (Outdoor)	5	3	0	32
Distributor	125	68	4	206
Mfg. Volatile	47	34	0	40
Mfg. Non-Volatile	76	43	2	151
Transporter	7	3	0	33
Lab Testing	1	1	0	10
<b>GRAND TOTALS</b>	<b>604</b>	<b>288</b>	<b>19</b>	<b>812</b>

\*These numbers are part of the General Total

**Figure F-3: Operators Issued Provisional and Annual Licenses**



**Figure F-4: New Permits Issued to Cannabis Operators Since Spring of 2017 by Category<sup>2</sup>**

	GENERAL	INCUBATOR	EQUITY	TOTAL
<b><i>NEW ANNUAL PERMITS BY BUSINESS TYPE</i></b>				
On-site Consumption	3		3	6
Dispensary	8	1	9	18
Delivery	68	18	88	174
Cultivator (Indoor)	7	6	19	32
Cultivator (Outdoor)	0	0	2	2
Distributor	27	27	59	113
Mfg. Volatile	3	5	1	9
Mfg. Non-Volatile	9	11	42	62
Transporter	2	0	5	7
Lab Testing	0	0	0	0
<b>GRAND TOTALS</b>	<b>127</b>	<b>68</b>	<b>228</b>	<b>423</b>

<sup>2</sup> Figure F-4 includes dispensaries that were permitted before 2017 and have renewed their permits since 2017

**Figure F-5: Withdrawn Applications**

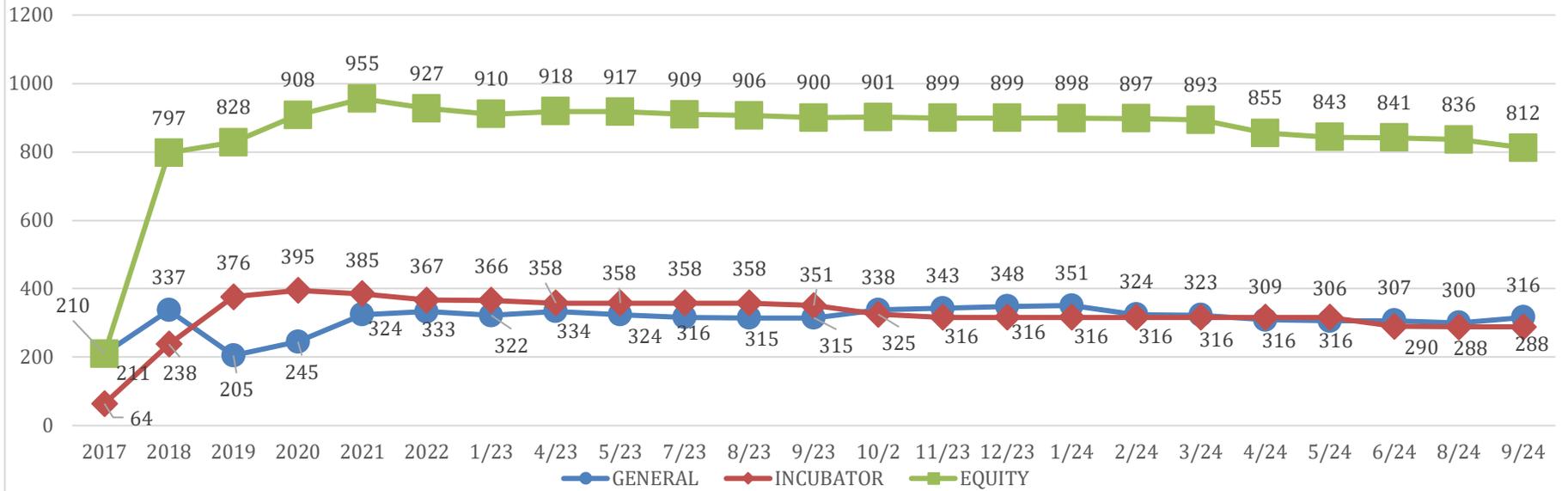
<b>WITHDRAWN APPLICATIONS</b>	<b>GENERAL</b>	<b>INCUBATOR</b>	<b>EQUITY</b>	<b>TOTALS</b>
Delivery	48	43	108	199
Cultivator (Indoor)	27	25	76	128
Cultivator (Outdoor)	15	13	14	42
Distributor	21	63	87	171
Mfg. Volatile	6	20	28	54
Mfg. Non-Volatile	19	34	71	124
Transporter	7	1	20	28
Lab Testing		3	3	6
<b>TOTALS</b>	<b>143</b>	<b>202</b>	<b>407</b>	<b>752</b>

**Figure F-6: Revoked Local Authorization**

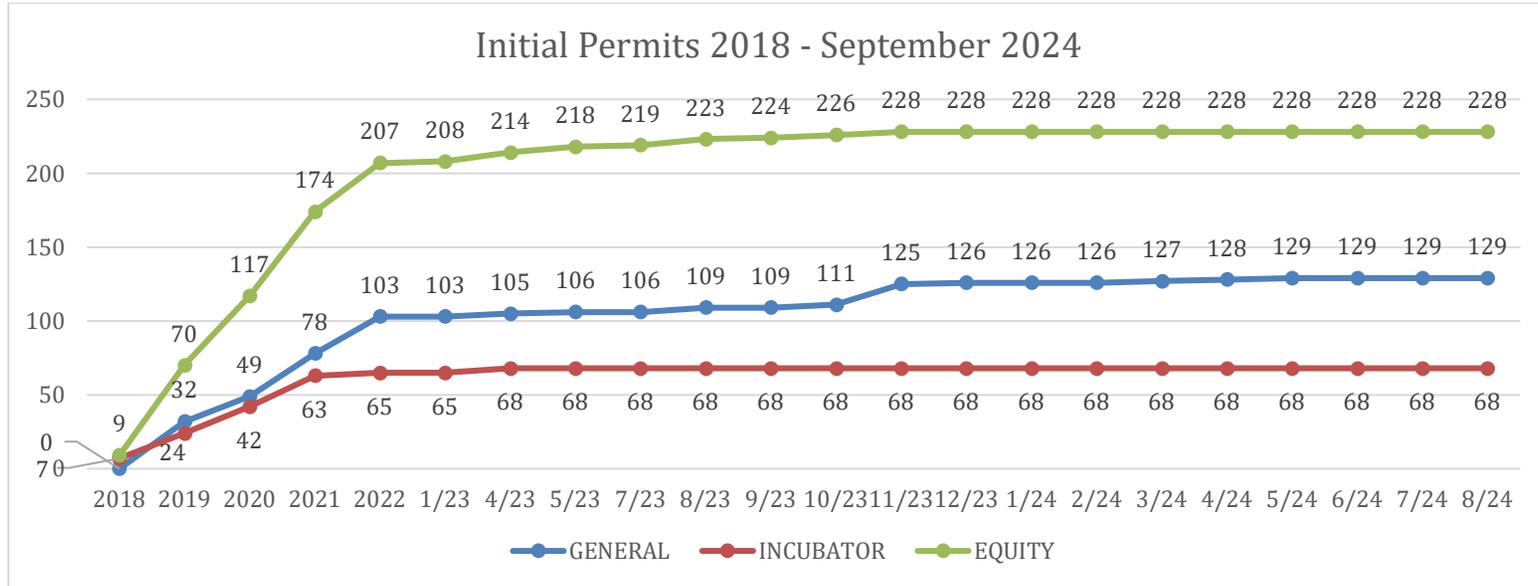
<b>REVOKED LOCAL AUTHORIZATION</b>	<b>GENERAL</b>	<b>INCUBATOR</b>	<b>EQUITY</b>	<b>TOTALS</b>
Delivery	1	6	6	13
Cultivator (Indoor)	5	20	6	31
Cultivator (Outdoor)				0
Distributor	1	5	4	10
Mfg. Volatile		3		3
Mfg. Non-Volatile		3	1	4
Transporter		1		1
Lab Testing				0
<b>TOTALS</b>	<b>7</b>	<b>38</b>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

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

### Cannabis Applications September 2017 - September 2024



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





# MEMORANDUM

<b>TO:</b>	Cannabis Regulatory Commission	<b>FROM:</b>	Sherry M. Jackson, Revenue & Tax Administrator
<b>SUBJECT:</b>	Cannabis Business Taxes	<b>DATE:</b>	September 23, 2024

## INFORMATION

This annual report provides the Cannabis Regulatory Commission (“CRC”) the unaudited Business Taxes reported directly to the City of Oakland (“City”) and Sales & Use Taxes reported directly to the California Department of Tax & Fee Administration (“CDTFA”) by individuals and businesses engaging in commercial cannabis activities in Oakland.

## **BACKGROUND / LEGISLATIVE HISTORY**

### *Oakland’s Cannabis Regulatory History*

The City of Oakland has been a leader in regulating cannabis. After California voters legalized medical cannabis in 1996 via Proposition 215, the City established Oakland Cannabis Buyers Club (“OCBC”) as its medical cannabis provider in 1998 under Oakland Municipal Code (“OMC”) 8.46. Following the federal closure of OCBC, the City of Oakland enacted OMC 5.80 in 2004, which established the nation’s first permitting process for medical cannabis dispensaries. In 2011 the City of Oakland expanded the number of available dispensary permits from four to eight and attempted to establish a permitting process for the cultivation of medical cannabis under OMC 5.81; however, threats of federal intervention and the lack of comprehensive state law prevented any implementation of OMC 5.81.

After the passage of the Medical Cannabis Regulation and Safety Act (“MCRSA”) in 2015 and the Adult-Use of Marijuana (“AUMA”) or Proposition 64 in 2016, the City of Oakland adopted the nation’s first equity program through amendments to OMC 5.80 and 5.81 that also legalized the adult-use of cannabis and established a permitting process for the cannabis industry’s entire supply chain in the spring of 2017.

### *Oakland’s Cannabis Taxation History*

In July 2009, Oakland voters approved Measure F making Oakland the first City in the nation to impose a tax on (medical) cannabis businesses. Measure F established a tax rate of \$18 per \$1,000, or 1.8 percent, of gross receipts.

In November 2010, Oakland voters approved the 2010 Measure V increasing the tax rate on medical cannabis businesses from 1.8% to five percent (5%) of annual gross receipts and creating a new tax rate of 10 percent (10%) of gross receipts on non-medical cannabis businesses, referred to as adult-use or recreational. The additional 10 percent adult-use tax rate

was put forth in anticipation of Proposition 19, which would have legalized adult use of cannabis in November 2010. Since Proposition 19 failed at the ballot box Oakland did not implement the adult-use tax rate until January 1, 2018 following the passage of Proposition 64 and City Council’s legalization of adult use in 2017.

In November 2018, Oakland voters approved the 2018 Measure V allowing cannabis businesses to pay business taxes quarterly, cannabis manufacturing and/or cultivation businesses to deduct the value of raw materials from gross receipts in calculating business taxes and authorizing the City Council, without returning to voters, to amend medical or non- medical cannabis business taxes in any manner that does not increase the tax rate.

In December 2019, the Oakland City Council adopted Ordinance No. 13573 C.M.S. amending OMC Title 5, Chapter 5.04, Sections 5.04.480 and 5.04.481 to create a tiered and category-based tax structure for cannabis businesses beginning in 2020 and changing each year for 2021 and 2022 calendar years. Thereafter, the tax rate structure is scheduled to remain the same at the 2022 tax structure unless the City Council makes further changes as authorized in the 2018 Measure V.

In November 2022, the Oakland voters approved the 2022 Measure T repealing and replacing Chapter 5.04 of the Oakland Municipal Code with a new tiered, progressive business tax structure. “Measure T” creates a new set of tiered progressive tax rates along with other key changes which became effective on January 1, 2023. The Cannabis tax rates were not affected as the result of the passage of Measure T.

***Table 1: 2024 & After Tax Rates***

<b>2024 &amp; After Cannabis Business Tax Rates</b>					
	Retail (store-front & delivery)	Indoor Cultivation	Outdoor Cultivation	Manufacturing Packaging & Storage	Distribution
<b>Equity</b>					
\$0 - \$1.5M	0.12%	0.12%	0.12%	0.12%	0.12%
\$1.5M - \$5M	5.00%	5.00%	4.50%	4.50%	3.00%
Over \$5M	5.00% (Non-Marginal)	5.00% (Non-Marginal)	5.00%	5.00%	4.00%
<b>General (Non-Equity)</b>					
\$0 - \$750K	0.12%	0.12%	0.12%	0.12%	0.12%
\$750K+ - \$1.5M	4.00%	4.00%	3.50%	3.50%	2.50%
\$1.5M+ = \$5M	5.00%	5.00%	4.50%	4.50%	3.00%
Over \$5M	5.00% (Non-Marginal)	5.00% (Non-Marginal)	5.00%	5.00%	4.00%

Oakland's Cannabis Equity Tax Rebate Program

In addition to the new tiered and category-based tax structure for cannabis businesses in December 2019, the City Council also adopted an Equity Tax Rebate Program for cannabis businesses. The program consists of four different tax rebates totaling nine separate and distinct conditions upon which a cannabis business would be entitled to the rebate of a portion of the taxes paid.

Table 2: 2024 Cannabis Tax Rebate Program

2024 CANNABIS BUSINESS TAX REBATE PROGRAMS			
Rebate Program	Rebate Conditions	Qualifying Period	Rebate Amount
Local Hiring Rebate (5.04.481.B.2.a.)	I. 30% of workforce consists of "Equity Employees"	182 Days	0.50%
	II. 25% of workforce consists of Equity Employees in "Essential Roles"	182 Days	0.50%
	III. 20% of workforce consists of Equity Employees in "Managerial Roles"	182 Days	0.50%
Equity Supply Chain (5.04.481.B.2.b.)	I. 30% of value of cannabis products delivered to the business were delivered by an Equity Businesses	365 Days	0.50%
	II. 25% of value of cannabis products delivered to the businesses were originally cultivated or manufactured by an Equity Business	365 Days	0.50%
Workforce Quality of Life (5.04.481.B.2.c.)	I. \$20/hr. with health benefits or \$25/hr. without health benefits for all employees employed	365 Days	0.50%
	II. 80% of total employees are full-time employees	365 Days	0.25%
Incubation (5.04.481.B.2.d.)	I. Provide free rent to Equity Business beyond the initial three-year period	Year 4th	0.5% - 1.50%*
	II. Provide free rent to Equity Business in the tax year but does not seek "permitting priority"	365 Days	0.5% - 1.50%*
	* Incubation Rebate Amount is based on 2023 total gross receipts: Less than \$2M = 1.5%; Up to \$7.5M = 1%; Greater than \$7.5M but less than \$12.5M = 0.5%; Greater than \$12.5M = no rebate.		
<b>IMPORTANT NOTE:</b> In no case will a business be entitled to any rebates that would reduce the overall tax rate of less than 2.5% for 2024 Tax Year or 2023 Tax Year for those cannabis businesses established in 2023; In other words, a cannabis business would be subject to pay the floor/minimum tax rate of 2.5% regardless of the number or the amount of the tax rebates.			

### California Sales & Use Tax

Sales and Use Tax applies to the retail sale or use of “tangible personal property.” The total sales tax percentage in the City of Oakland is 10.25% meaning on a \$1 taxable purchase, the sales tax paid is 10.25 cents. The City receives 1% of the total sales, meaning the City receives 1 cent on a \$1 purchase. The remaining 9.25% is allocated to the state and local taxing districts.

### California Cannabis Excise Taxes

The passage of Proposition 64 created two new State cannabis taxes. The tax rates for 2024 are:

1. A 15 percent excise tax imposed upon the purchasers of cannabis and cannabis products.
2. According to the CDTFA<sup>1</sup>, “Beginning July 1, 2022, the cultivation tax no longer applies to cannabis or cannabis products entering the commercial market.”

## **CANNABIS BUSINESS TAX REVENUE & STATISTICS**

Table 3 summarizes the reported cannabis business tax revenue for the calendar years 2015-2023 and the latest reported revenue for the current calendar year 2024.

Table 3: Cannabis Business Tax Revenue

<b>Tax Year</b>	<b>Number of Business</b>	<b>Revenue</b>
2024	291	\$5.58 million <sup>2</sup>
2023	266	\$5.64 million
2022	259	\$7.92 million
2021	187	\$13.47 million
2020	252	\$8.89 million
2019	195	\$12.85 million
2018	139	\$8.07 million
2017	85	\$7.48 million
2016	77	\$4.64 million
2015	70	\$3.61 million

### General Statistics:

The following general statistics are intended to provide the CRC a snapshot of key information as of the date of this report. Certain statistics for prior years, such as the number of retailers vs. non-retailers, equity vs. non-equity businesses, are not available because the tax rates were fixed prior to 2019 tax year regardless of the type of operation or activity. The breakdown of revenue by individual activity or segment of the cannabis industry (store front, delivery, cultivation, manufacturing, distribution, etc.) cannot be separated because many cannabis businesses engage in multiple segments of the industry. Furthermore, the applicable tax is the tax rate that produces the highest amount of the taxes owed based on the total gross receipts

<sup>1</sup> Source: <https://www.cdtfa.ca.gov/formspubs/L856.pdf>

<sup>2</sup> Through September 16, 2024: Total \$5.58M (Paid = \$4.57 million: Outstanding Balance = \$1.01 million)

generated by the business without respect to the portion of gross receipts generated from any particular taxable activity (Oakland Municipal Code § 5.04.480.C).

Table 4: Retail vs. Non-Retail Operation

Tax Year	Retail	Non-Retail	Total
2024	120	171	291
2023	121	145	266
2022	127	132	259
2021	93	94	187
2020	112	140	252
2019	73	122	195

Table 5: Equity vs. Non-Equity Operation

Tax Year	Equity	Non-Equity	Total
2024	105	186	291
2023	106	160	266
2022	107	152	259
2021	54	133	187
2020	78	174	252
2019	Not Tracking		

Table 6: Payment Plan vs. Non-Payment Plan

Tax Year	Payment Plan		Non-Payment Plan		Total
	Equity	General	Equity	General	
2024	4	28	101	158	291
2023	33		233		266
2022	40		219		259
2021	30		157		187
2020	42		210		252
2019	57		138		195

Table 7: Business by Gross Receipts and Percentage of Reported Revenue

Year	Gross Receipts		Up to \$500K	\$500K+ - \$1.5M	\$1.5M+ - \$5M	Over \$5M	Total
2019	No. of Business		151	19	18	7	195
	Percentage of Revenue		7.75%	15.40%	29.92%	46.93%	100%
2020	No. of Business		195	27	26	4	252
	Percentage of Revenue		8.94%	8.88%	39.46%	42.72%	100%
2021	No. of Business		115	35	26	11	187
	Percentage of Revenue		6.72%	13.26%	29.01%	51.01%	100%
2022	No. of Business		165	51	32	11	253
	Percentage of Revenue		0.33%	4.66%	33.42%	61.59%	100%
2023	No. of Business		176	55	28	7	266
	Percentage of Revenue		0.49%	4.57%	35.36%	59.59%	100%
2024	No. of Business	Equity	91	10	3	1	105
		General	116	41	24	5	186
		Total	207	51	27	6	291
	Percentage of Revenue	Equity	0.80%	1.12%	6.67%	7.59%	16.18%
		General	0.32%	7.13%	39.21%	37.16%	83.82%
		Total	1.12%	8.25%	45.88%	44.75%	100.00%

**SALES & USE TAX REVENUE**

Table 8: Adjusted Sales Tax reported to the CDTFA

Calendar Year	Number of Business	Revenue
2024 <sup>3</sup>	85	\$429,000 <sup>4</sup>
2023	108	\$1.11 million
2022	124	\$1.35 million
2021	103	\$1.54 million
2020	103	\$1.56 million
2019	121	\$1.30 million
2018	79	\$1.16 million

<sup>3</sup> There is an interval of time lag of approximately 2 – 2 ½ months from the close of the quarter to the date the City receives the Sales & Use Tax data. For example, the City expects to receive the sales tax data for the third quarter 2024 (July - September 2024) in November 2024. The time lag represents the interval needed for filers to prepare their returns and remit their payments to the CDTFA, and for the CDTFA to process returns and prepare the data for the City.

<sup>4</sup> From January 1, 2024 through June 30, 2024

Table 9: Reported number of Employees

Calendar Year	Full Time		Part Time		Total Employees
	Equity	General	Equity	General	
2024	207	1522	33	185	1947
2023	1818		424		2242
2022	2094		287		2381

*Table 10: Annual Gross Receipts Tax Years (2018 – 2024)*

Year	2018	2019	2020	2021	2022	2023	2024
Equity	N/A	N/A	\$21,141,465.27	\$35,974,745.13	\$37,803,609.10	\$37,609,413.12	\$33,291,572.60
General	N/A	N/A	\$152,193,969.69	\$235,610,581.28	\$207,113,784.78	\$163,441,215.46	\$153,035,623.37
<b>Total Gross Receipts</b>	\$171,546,992.15	\$165,351,330.15	\$173,335,434.96	\$271,585,326.41	\$244,917,393.88	\$201,050,628.58	\$186,327,195.97

*Table 11: Equity Cannabis Gross Receipts by Activity (2021 – 2024)*

Equity Business	2021			2022			2023			2024		
	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	No. of business	Total Gross Receipts	Average Gross Receipts
Retail	38	\$24,221,032.76	\$2,732,820.88	47	\$22,612,021.65	\$732,643.69	41	\$24,710,178.92	\$602,687.29	46	\$24,780,476.09	\$538,706.00
Indoor Cultivation	14	\$2,879,508.58	\$477,908.64	14	\$2,455,154.00	\$537,299.29	14	\$4,763,305.81	\$340,236.13	11	\$1,422,768.87	\$129,342.62
Outdoor Cultivation	0	\$0.00	\$0.00	0	\$0.00	\$0.00	0	\$0.00	\$0.00	0	\$0.00	\$0.00
Manufacturing	11	\$1,699,036.67	\$397,444.65	19	\$3,686,342.49	\$776,582.21	17	\$2,474,189.19	\$145,540.54	18	\$1,721,226.89	\$95,623.72
Distribution	12	\$3,048,013.82	\$227,366.57	17	\$2,721,496.74	\$250,898.42	14	\$2,388,487.07	\$170,606.22	17	\$3,899,953.77	\$229,409.05
Micro-business	19	\$4,127,153.30	\$662,749.03	18	\$6,328,594.22	\$877,402.91	20	\$3,273,252.13	\$163,662.61	13	\$1,467,146.98	\$112,857.46
<b>Total</b>	<b>94</b>	<b>\$35,974,745.13</b>		<b>115</b>	<b>\$37,803,609.10</b>		<b>106</b>	<b>\$37,609,413.12</b>		<b>105</b>	<b>\$33,291,572.60</b>	

**Table 12: General Cannabis Gross Receipts by Activity (2021 – 2024)**

General Business	2021			2022			2023			2024		
	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	No. of business	Total Gross Receipts	Average Gross Receipts
Retail	59	\$139,280,304.77	\$3,859,870.21	58	\$114,588,282.50	\$3,460,412.86	58	\$65,854,042.78	\$1,135,414.53	59	\$52,834,741.58	\$895,504.09
Indoor Cultivation	34	\$44,462,812.01	\$2,776,361.97	41	\$38,158,778.58	\$2,254,026.79	53	\$50,193,953.97	\$947,055.74	80	\$64,075,769.20	\$800,947.12
Outdoor Cultivation	0	\$0.00	\$0.00	0	\$0.00	\$0.00	0	\$0.00	\$0.00	0	0	0
Manufacturing	18	\$9,884,469.23	\$1,219,128.89	24	\$14,468,329.56	\$1,122,505.62	19	\$12,777,799.25	\$672,515.75	20	\$15,577,753.25	\$778,887.66
Distribution	29	\$20,351,761.86	\$2,117,523.67	15	\$16,401,492.31	\$2,674,659.38	19	\$25,360,291.38	\$1,334,752.18	19	\$18,432,167.97	\$970,114.10
Micro-business	13	\$21,631,233.41	\$4,458,398.73	23	\$23,496,901.83	\$3,248,223.87	11	\$9,255,128.08	\$841,375.28	8	\$2,115,191.37	\$264,398.92
Total	153	\$235,610,581.28		161	\$207,113,784.78		160	\$163,441,215.46		186	\$153,035,623.37	

**Table 13: Year-Over-Year (“YOY”) Changes Annual Gross Receipts (2021 – 2024)**

Business Type	2021	2022	YOY Change (in \$)	YOY Change (in %)	2023	YOY Change (in \$)	YOY Change (in %)	2024	YOY Change (in \$)	YOY Change (in %)
	Total Gross Receipts	Total Gross Receipts			Total Gross Receipts			Total Gross Receipts		
Equity	\$35,974,745.13	\$37,803,609.10	\$1,828,863.97	5.08%	\$37,609,413.12	-\$194,195.98	-0.51%	\$33,291,572.60	-\$4,317,840.52	-11.48%
General	\$235,610,581.28	\$207,113,784.78	-\$28,496,796.50	-12.09%	\$163,441,215.46	-\$43,672,569.32	-21.09%	\$153,035,623.37	-\$10,405,592.09	-6.37%
Total	\$271,585,326.41	\$244,917,393.88	-\$26,667,932.53		\$201,050,628.58	-\$43,866,765.30		\$186,327,195.97	-\$14,723,432.61	

**Table 14: Year-Over-Year (“YOY”) Changes by Activity - Retail Gross Receipts (2021 – 2024)**

Retail	2021	2022	YOY Change (in \$)	YOY Change (in %)	2023	YOY Change (in \$)	YOY Change (in %)	2024	YOY Change (in \$)	YOY Change (in %)
	Total Gross Receipts	Total Gross Receipts			Total Gross Receipts			Total Gross Receipts		
Equity	\$24,221,032.76	\$22,612,021.65	-\$1,609,011.11	-6.64%	\$24,710,178.92	\$2,098,157.27	9.28%	\$24,780,476.09	\$70,297.17	0.28%
General	\$139,280,304.77	\$114,588,282.50	-\$24,692,022.27	-17.73%	\$65,854,042.78	-\$48,734,239.72	-42.53%	\$52,834,741.58	-\$13,019,301.20	-19.77%
Total	\$163,501,337.53	\$137,200,304.15	-\$26,301,033.38		\$90,564,221.70	-\$46,636,082.45		\$77,615,217.67	-\$12,949,004.03	

**Table 15: Year-Over-Year (“YOY”) Changes by Activity - Indoor Cultivation Gross Receipts (2021 – 2024)**

Indoor Cultivation	2021	2022	YOY Change (in \$)	YOY Change (in %)	2023	YOY Change (in \$)	YOY Change (in %)	2024	YOY Change (in \$)	YOY Change (in %)
	Total Gross Receipts	Total Gross Receipts			Total Gross Receipts			Total Gross Receipts		
Equity	\$2,879,508.58	\$2,455,154.00	-\$424,354.58	-14.74%	\$4,763,305.81	\$2,308,151.81	94.01%	\$1,422,768.87	-\$3,340,536.94	-70.13%
General	\$44,462,812.01	\$38,158,778.58	-\$6,304,033.43	-14.18%	\$50,193,953.97	\$12,035,175.39	31.54%	\$64,075,769.20	\$13,881,815.23	27.66%
Total	\$47,342,320.59	\$40,613,932.58	-\$6,728,388.01		\$54,957,259.78	\$14,343,327.20		\$65,498,538.07	\$10,541,278.29	

**Table 16: Year-Over-Year (“YOY”) Changes by Activity - Manufacturing Gross Receipts (2021 – 2024)**

Manufacturing	2021	2022	YOY Change (in \$)	YOY Change (in %)	2023	YOY Change (in \$)	YOY Change (in %)	2024	YOY Change (in \$)	YOY Change (in %)
	Total Gross Receipts	Total Gross Receipts			Total Gross Receipts			Total Gross Receipts		
Equity	\$1,699,036.67	\$3,686,342.49	\$1,987,305.82	116.97%	\$2,474,189.19	-\$1,212,153.30	-32.88%	\$1,721,226.89	-\$752,962.30	-30.43%
General	\$9,884,469.23	\$14,468,329.56	\$4,583,860.33	46.37%	\$12,777,799.25	-\$1,690,530.31	-11.68%	\$15,577,753.25	\$2,799,954.00	21.91%
Total	\$11,583,505.90	\$18,154,672.05	\$6,571,166.15		\$15,251,988.44	-\$2,902,683.61		\$17,298,980.14	\$2,046,991.70	

**Table 17: Year-Over-Year (“YOY”) Changes by Activity - Distribution Gross Receipts (2021 – 2024)**

Distribution	2021	2022	YOY Change (in \$)	YOY Change (in %)	2023	YOY Change (in \$)	YOY Change (in %)	2024	YOY Change (in \$)	YOY Change (in %)
	Total Gross Receipts	Total Gross Receipts			Total Gross Receipts			Total Gross Receipts		
Equity	\$3,048,013.82	\$2,721,496.74	-\$326,517.08	-10.71%	\$2,388,487.07	-\$333,009.67	-12.24%	\$3,899,953.77	\$1,511,466.70	63.28%
General	\$20,351,761.86	\$16,401,492.31	-\$3,950,269.55	-19.41%	\$25,360,291.38	\$8,958,799.07	54.62%	\$18,432,167.97	-\$6,928,123.41	-27.32%
Total	\$23,399,775.68	\$19,122,989.05	-\$4,276,786.63		\$27,748,778.45	\$8,625,789.40		\$22,332,121.74	-\$5,416,656.71	

**Table 18: Year-Over-Year (“YOY”) Changes by Activity - Micro-business Gross Receipts (2021 – 2024)**

Micro-business	2021	2022	YOY Change (in \$)	YOY Change (in %)	2023	YOY Change (in \$)	YOY Change (in %)	2024	YOY Change (in \$)	YOY Change (in %)
	Total Gross Receipts	Total Gross Receipts			Total Gross Receipts			Total Gross Receipts		
Equity	\$4,127,153.30	\$6,328,594.22	\$2,201,440.92	53.34%	\$3,273,252.13	-\$3,055,342.09	-48.28%	\$1,467,146.98	-\$1,806,105.15	-55.18%
General	\$21,631,233.41	\$23,496,901.83	\$1,865,668.42	8.62%	\$9,255,128.08	-\$14,241,773.75	-60.61%	\$2,115,191.37	-\$7,139,936.71	-77.15%
Total	\$25,758,386.71	\$29,825,496.05	\$4,067,109.34		\$12,528,380.21	-\$17,297,115.84		\$3,582,338.35	-\$8,946,041.86	

For questions regarding this report, please contact Nicole Andrino, Tax Auditor II, (510) 238-6767.

Respectfully submitted,

*Sherry Jackson*

Sherry Jackson (Oct 1, 2024 09:47 PDT)

---

Sherry M. Jackson  
Revenue and Tax Administrator  
Finance Department

# RMB CRC Report September 2024 Updated 9.30.2024

Final Audit Report

2024-10-01

Created:	2024-10-01 (Pacific Daylight Time)
By:	Carmen Mac (cmac@oaklandca.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAAcr2riI1tFQr1hG6ULzsse9uYu2rPr3mT

## "RMB CRC Report September 2024 Updated 9.30.2024" History

-  Document created by Carmen Mac (cmac@oaklandca.gov)  
2024-10-01 - 9:36:26 AM PDT - IP address: 209.232.103.100
-  Document emailed to Sherry Jackson (SJackson3@oaklandca.gov) for signature  
2024-10-01 - 9:37:31 AM PDT
-  Email viewed by Sherry Jackson (SJackson3@oaklandca.gov)  
2024-10-01 - 9:47:35 AM PDT - IP address: 24.6.29.116
-  Document e-signed by Sherry Jackson (SJackson3@oaklandca.gov)  
Signature Date: 2024-10-01 - 9:47:56 AM PDT - Time Source: server- IP address: 24.6.29.116
-  Agreement completed.  
2024-10-01 - 9:47:56 AM PDT



City of  
Oakland

Powered by  
**Adobe**  
Acrobat Sign

# CITY OF OAKLAND



CITY HALL • 1 FRANK H. OGAWA PLAZA • OAKLAND, CALIFORNIA 94612

REBECCA KAPLAN  
At-Large Councilmember  
atlarge@oaklandca.gov

#LoveLife  
(510) 238-7008  
Fax: (510)238-6910  
TDD: (510) 839-6451

## **RE: ORDINANCE AMENDING OAKLAND MUNICIPAL CODE SECTION: 5.80.025 (ONSITE CONSUMPTION PERMIT)**

---

October 3, 2024

### **Dear Cannabis Regulatory Commission:**

The cannabis industry in Oakland and California has made significant progress in developing and implementing effective policies to support the legalized consumption of cannabis. Embracing the growing momentum of regulated cannabis consumption, the proposed amendment introduces three unique cannabis consumption permits in Oakland. In an era in which neighboring municipalities are adopting and executing new revenue streams surrounding cannabis, these permits are designed to drive the growth of cannabis commerce in Oakland and empower the City administrator with expanded regulatory authority.

The following three types of cannabis consumption permits are proposed as follows:

- (a) Cannabis Consumption – Prepackaged Cannabis Products – No Preparation. A Permittee in possession of this permit type may allow the on-site Consumption of Pre-Packaged Cannabis Products but may not engage in the Preparation of Cannabis Products.*
- (b) Cannabis Consumption – Limited Preparation of Cannabis Products. A Permittee in possession of this permit type may allow the on-site Consumption of Pre-Packaged Cannabis Products, and may also Prepare and allow the Consumption of Cannabis Products.*
- (c) Cannabis Smoking. A Permittee in possession of this permit type may allow the on-site Smoking of Cannabis, and may also allow the Consumption of Pre-packaged Cannabis Products, and/or the Consumption of prepared Cannabis Products, subject to approval by the Director.*

The current Oakland regulations delegate the authorization of cannabis permits to the City Administrator. The City Administrator establishes the conditions of approval for each onsite consumption permit, including, but not limited to, a parking plan, ventilation plan, anti-drugged driving plan, and set hours of operation. The amendment aligns the city administrator's oversight authority with the three proposed permits, ensuring the adoption of the amendment does not hinder or reduce the City Administrator's oversight powers.

The amendment's portion regarding the city administrator is as follows:

(a) No Permittee shall allow the on-site Consumption of Cannabis or Cannabis Products in a manner inconsistent with any permit condition imposed by the City or City Administrator's office or is inconsistent with any rules, regulations, or guidelines.

(b) Any employee or agent of the Department of Public Health, City Administrator, or other City Staff may enter and inspect the Premises of a Permittee during business hours, without notice.

(c) No Permittee shall authorize the on-site Consumption of Cannabis or Cannabis Products outside of the business' operating hours, as such hours may be established by law or regulation or required as a condition of the permit.

(d) Permittees shall post one or more notices of sufficient size, lettering, and prominence to advise customers that the Consumption of Cannabis Products on the sidewalk or in other areas adjacent to the Premises is prohibited.

(e) Access to the area where the Consumption of Cannabis Products is allowed shall be restricted to persons 21 years of age and older, or persons 18 years of age and older if the Permittee is authorized to Sell Medicinal Cannabis Products.

(f) Cannabis Consumption shall not be visible from any public place or any nonage-restricted area on the Premises.

(g) The sale and Consumption of alcohol or tobacco products are not allowed on the Premises.

(h) A Permittee shall comply with laws governing Cannabis Businesses and retail food establishments, including but not limited to the California Retail Food Code and City and/or County health standards.

(i) A Designated Smoking Room must meet the following ventilation standards:

(1) The Designated Smoking room must have a separate heating, ventilation, and air-conditioning (HVAC) system such that none of the air in the Designated Smoking Room will be recirculated into other parts of the Cannabis Business' Premises.

(2) The air from a Designated Smoking Room must be directly exhausted to the outdoors by a filtration system that, at a minimum, eliminates all odor and smoke.

(3) Smoke from the Designated Smoking Room must not drift to other portions of the Premises.

(4) The Designated Smoking Room must be completely separated from the remainder of the Premises by solid partitions or glazing without openings other than doors, and all doors leading to the Designated Smoking Room must be self-closing. All doors to the Designated Smoking Room must be installed with a gasket to provide a seal where the door meets the stop.

(5) The Designated Smoking Room must meet such other health and safety standards.

(j) A Permittee with a Cannabis Smoking permit may not require employees to enter the Designated Smoking Room as a condition of their employment.

D. The permit shall be subject to suspension or revocation in accordance with City codes, and the owner/operator shall be liable for excessive police costs related to enforcement.

The amendment is focused on establishing three distinct permits for allowable cannabis consumption: edible/drinks, vaporization only, and smoking/combustion. It's crucial to regulate the various ways cannabis is consumed at authorized locations to ensure strict adherence to existing

workplace standards, public health, public safety, and zoning. To maximize cannabis-related revenue opportunities and stay competitive with neighboring municipalities, Oakland can adopt the amendment based on successful models from similar municipalities. Additionally, new statewide regulations in the cannabis sector have expanded revenue opportunities for cannabis commerce. By strengthening and adapting existing and proposed cannabis regulations, the city of Oakland can truly elevate the cannabis industry within its jurisdiction.

Sincerely,

A handwritten signature in dark ink, appearing to read "Rebecca Kaplan", enclosed in a thin black rectangular border.

Rebecca Kaplan  
City of Oakland, Council Member At-Large

**BYLAWS OF THE COMMUNITY OVERSIGHT COMMITTEE  
CREATED BY NOVEMBER 2, 2004 BALLOT INITIATIVE MEASURE Z,  
ENTITLED “OAKLAND CANNABIS REGULATION AND REVENUE ORDINANCE”**

**ARTICLE I**

**NAME**

The name of this organization is the Cannabis Regulatory Commission.

**ARTICLE II**

**PURPOSE**

It is the purpose of the Cannabis Regulatory Commission (hereinafter referred to as “CRC”), created by Measure Z, to oversee implementation of the Lowest Law Enforcement Priority Policy and ensure timely implementation of Measure Z by:

- a. advising the City Council of concerns, issues regarding the lowest law enforcement policy for private adult cannabis offenses;
- b. making recommendations to the City Council regarding the lowest law enforcement policy implementation as well as implementation of City licenses, taxes, and regulations for adult use of cannabis; and
- c. reporting annually to the City Council on the implementation of Measure Z.

**ARTICLE III**

**FUNCTIONS**

As provided by City Council [Ordinance No. 12694 C.M.S.](#), which established the procedures of the Commission and provides the terms and responsibilities of the Commission members, the Commission will advise the City Council of concerns and issues regarding the lowest law enforcement policy for private adult cannabis offenses, make recommendations to the City Council regarding the policy implementation, and report annually to the City Council on the implementation of Measure Z.

The CRC will work with other boards, commissions and City staff, as appropriate to encourage coordination of City efforts. With respect to Measure Z related functions or responsibilities of another board, commission or department of the City, the CRC will provide assistance and advice to such board, commission or department upon request.

#### **ARTICLE IV MEMBERSHIP**

Measure Z created an eleven-member, advisory Community Oversight Committee that includes one community member appointed by each City Councilmember, one community member appointed by the Mayor, one representative appointed by the City Auditor, and one representative appointed by the City Administrator. Committee members must reside in the City of Oakland at the time of appointment and throughout the term and should have the appropriate skills and expertise to carry out the duties of the Commission.

Each member shall be appointed to a term of two (2) years, with each term commencing on the first day of August of odd numbered years, except that an appointment to fill a vacancy shall be for the unexpired term only. Members may be reappointed to subsequent terms. If a member has not been reappointed or replaced upon the expiration of his or her appointed term, that member may remain in hold-over status for up to one (1) year, but may be replaced by the appointing authority at any time during the hold-over period.

A vacancy on the CRC will exist whenever a member dies, resigns, ceases to reside in Oakland, or is removed.

Commission members serve at the pleasure of their appointing authority.

No member of the Commission may cast a vote on or participate in a discussion by the Commission on any matter which would provide a reasonably foreseeable and material financial benefit to such member or a member of his or her immediate family, or on any other matter which would result in the member violating any governmental conflict of interest law or regulation.

Any Commission member with a conflict of interest on a matter must recuse themselves from any vote of the Commission on the matter, must publicly announce such recusal and the nature of his or her conflict of interest on the record, physically leave the room or turn off video camera, and must refrain from discussing the matter formally or informally with other Commission members, either in a meeting or outside a meeting.

Commission members must adhere to all applicable laws, rules, and regulations, including fulfillment of responsibilities as enumerated in the most up-to-date version of the City of Oakland Public Ethics Commission Handbook for Board and Commission Members.

## ARTICLE V OFFICERS

The members shall elect a chairperson and a vice chairperson who shall serve for a two (2) year term. Upon conclusion of their two (2) year term of office, office holders shall be barred from standing for the same office for the succeeding four (4) years, unless two-thirds (2/3) of the total CRC's membership (8 affirmative votes) vote to override the term limit.

## ARTICLE VI MEETINGS

The CRC shall meet in City Hall or if authorized by law, via telephone or videoconference, at an established date and time suitable for its purpose. Six members of the Committee shall constitute a quorum for the purpose of conducting meetings. Other meetings scheduled for a time or place different from that established for regular meetings shall be designated special meetings. All meetings shall be held in accordance with the Ralph M. Brown Act (Government Code section 54950 et seq.) and the City of Oakland Sunshine Ordinance (Oakland Municipal Code Chapter 2.20).

Starting in the fall of 2024, the CRC shall meet on a quarterly basis.

## ARTICLE VII RULES AND PROCEDURES

The CRC, in consultation with the City Administrator, shall establish rules and procedures for the conduct of its business by a majority vote of the members present; provided that a quorum for the conduct of business is six members. Voting shall be required for the adoption of any motion or resolution. The business of the Commission shall be conducted, in so far as it is practicable, in accordance with parliamentary rules contained in *Robert's Rules of Order Newly Revised*, as it may be amended from time to time, except as modified by these bylaws and in compliance with the state open meeting laws (Brown Act, Government Code section 54950 et seq.) and local Sunshine Ordinance (Oakland Municipal Code Chapter 2.20).

The discussion of an agenda item shall proceed as follows:

- (a) Either the Commission Member who agendized the item or staff will provide a brief report regarding the item;
- (b) Members of the public will have an opportunity to speak once on the item, either in person or via remotely via teleconference;
- (c) Commission members will have an opportunity to deliberate the item and ask related questions of staff or members of the public; and
- (d) Commission members will have an opportunity to make a motion related to the disposition of item.

Two minutes minimum shall be provided to a public speaker proving comment on an agenda item or at open forum.

## **ARTICLE VIII REPORTS AND RECOMMENDATIONS**

The CRC shall make reports, findings and recommendations either to the City Administrator or the City Council, as appropriate. An annual report will be presented in writing to the City Council.

However, recommendations from the CRC shall be carefully and fully considered by the City Administrator before they are presented to the Council. If the City Administrator rejects its recommendation(s), the CRC may submit the recommendation(s) to the City Council for consideration, as appropriate.

## **ARTICLE IX STAFF**

The City Administrator, or a designee, may provide the CRC with staff assistance and a representative of the City Attorney's Office will attend committee meetings as appropriate.

**ARTICLE X  
COMMITTEES**

The CRC may not create any Standing Committees for the purpose of delegating any of the Commission's decision-making or duties, but may form ad hoc committees as needed to examine, study, review matters/issues and present their analyses, proposals, findings, recommendations to the Commission for its consideration and action.

**ARTICLE XI  
AMENDMENTS OF BYLAWS**

Bylaws may be amended, or new Bylaws adopted, at any regularly scheduled meeting of the CRC provided that notice of the proposed action shall have been sent to each member of the CRC at least fifteen (15) days before said meeting. A two-thirds (2/3) vote of the total CRC's membership (8 affirmative votes) shall be required to amend and/or adopt new Bylaws. The CRC may amend without permission of the City Council, Office of the City Administrator, or Oakland Police Department only those provision of these Bylaws that do not give the Commission powers that are reserved for the City Council/ City of Oakland, Office of the City Administrator, or the Oakland Police Department.

ATTEST: \_\_\_\_\_

Joe DeVries Greg Minor

Staff to Cannabis Regulatory Commission