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# AGENDA REPORT

**TO:** Sabrina B. Landreth  
City Administrator

**FROM:** Greg Minor  
Assistant to the City  
Administrator

**SUBJECT:** Supplemental Update on Cannabis  
Equity Program

**DATE:** April 10, 2019

City Administrator Approval

Date:

4/11/19

## RECOMMENDATION

**Staff Recommends That The City Council Receive A Supplemental Informational Report On The City Of Oakland's Cannabis Equity Program.**

## REASON FOR SUPPLEMENTAL

At the April 9, 2019 City Council Finance Committee Meeting, the Committee requested staff provide information on the definition of an "Equity Applicant" under the City of Oakland's cannabis permitting ordinances, the demographics of cannabis applicants, and the amount of cannabis taxes collected last fiscal year.

In terms of the definition of an "Equity Applicant," Oakland Municipal Code (OMC) Sections 5.80 and 5.81 define an "Equity Applicant" as an applicant whose ownership/owner<sup>1</sup>:

1. Is an Oakland resident; and
2. In the last year, had an annual income at or less than 80 percent of Oakland Average Medium Income (AMI) adjusted for household size; and
3. Either (i) has lived in any combination of Oakland police beats 2X, 2Y, 6X, 7X, 19X, 21X, 21Y, 23X, 26Y, 27X, 27Y, 29X, 30X, 30Y, 31Y, 32X, 33X, 34X, 5X, 8X and 35X for at least ten (10) of the last twenty (20) years or (ii) was arrested after November 5, 1996 and convicted of a cannabis crime committed in Oakland, California.

This definition was developed through the City Administration's February 2017 race and equity analysis of the cannabis industry that examined twenty years of Oakland Police Department

<sup>1</sup> OMC 5.80 and 5.81 further defines "Ownership" to mean the individual or individuals who:

- (i) With respect to for-profit entities, including without limitation corporations, partnerships, limited liability companies, has or have an aggregate ownership interest (other than a security interest, lien, or encumbrance) of fifty (50) percent or more in the entity.
- (ii) With respect to not for-profit entities, including without limitation a non-profit corporation or similar entity, constitutes or constitute a majority of the Board of Directors.
- (iii) With respect to collectives, has or have a controlling interest in the collective's governing body.

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data on cannabis enforcement in the City of Oakland, including the racial demographics of those arrested for cannabis offenses. The report and cannabis law enforcement data can be found here: <https://cao-94612.s3.us-west-2.amazonaws.com/documents/Equity-Analysis-and-Proposed-Medical-Cannabis-Amendments.pdf>

With respect to applicant demographics, the City Administrator's Office does not currently have any data on permit applicants but our office has gathered the following demographic information on those equity applicants whose loan applications have been approved and funded thus far:

- 83 percent African-American
- 4 percent Dual Caucasian/Other
- 4 percent Hispanic
- 4 percent Unidentified
- 4 percent Dual Hispanic/Other

Going forward, the City Administrator's Office will begin collecting demographic information on cannabis permit applicants to the extent permissible by law.

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Finally, in terms of cannabis tax revenue for Fiscal Year 2017-2018, the City of Oakland received \$971,153 in sales taxes and \$7,416,656 in business taxes.

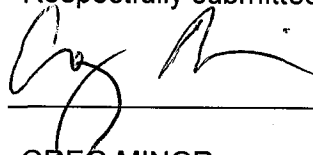
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**ACTION REQUESTED OF THE CITY COUNCIL**

Staff Recommends That the City Council Receive A Supplemental Informational Report On The City Of Oakland's Cannabis Equity Program.

For questions regarding this report, please contact Greg Minor, Assistant to the City Administrator, at (510) 238-6370.

Respectfully submitted,



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GREG MINOR  
Assistant to the City Administrator