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OFFICE OF THE CITY CLERK
OAKLAND

2010 JUL -9 PM 4: **CITY OF OAKLAND**
AGENDA REPORT

REVISED
7/9/10

TO: Oakland City Council Public Safety Committee
ATTN: Larry Reid, Chair
FROM: Council Member Rebecca Kaplan and Council Member Larry Reid
DATE: July 13, 2010

RE:

1. **AN ORDINANCE AMENDING TITLE 5 OF THE OAKLAND MUNICIPAL CODE, ENTITLED BUSINESS LICENSES AND REGULATIONS, TO ADD CHAPTER 5.81, PERTAINING TO MEDICAL CANNABIS CULTIVATION AND MANUFACTURING FACILITY PERMITTING AND AMENDING THE MASTER FEE SCHEDULE (ORDINANCE 9336, AS AMENDED) TO ESTABLISH REGULATORY FEES**
2. **AN ORDINANCE AMENDING OAKLAND MUNICIPAL CODE CHAPTER 5.80 "MEDICAL CANNABIS DISPENSARY PERMITS" TO INCREASE, AMONG OTHER THINGS, THE TOTAL NUMBER OF DISPENSARY PERMITS FROM 4 TO 6**
3. **RESOLUTION AMENDING RESOLUTION NOS. 78331 AND 79647, C.M.S. WHICH ESTABLISHED THE CITY'S LAW ENFORCEMENT POLICY REGARDING MEDICAL CANNABIS AND PRIVATE ADULT CANNABIS OFFENSES TO CLARIFY THE CITY'S LAW ENFORCEMENT POLICY AND GUIDELINES REGARDING MEDICAL CANNABIS ACTIVITIES BY PATIENTS, PRIMARY CARE GIVERS AND COOPERATIVES AND COLLECTIVES CONSISTING OF PATIENTS AND THEIR PRIMARY CAREGIVERS IN RESIDENTIAL SETTINGS AND NON-RESIDENTIAL SETTINGS SUCH AS COMMERCIAL AND INDUSTRIAL FACILITIES**

SUMMARY

On February 17, 2004, the City of Oakland adopted Ordinance No. 12585, permitting distribution of medical cannabis to authorized patients through four licensed dispensaries. The City of Oakland's process for administering these permits and monitoring the dispensaries is considered successful, and has become a role model for the nation.

In the approval of the dispensary ordinance, concerns were raised regarding the limited number of permits not ensuring that the diversity of Oakland's many communities would be served. The City's Business Tax Revenue Division reports that Oakland's four permitted dispensaries generated 28 million dollars in gross sales last year. By expanding the number of dispensaries, the City will ensure that it does not promote a situation where the market is dominated by a small number of participants who are able to collectively exert control over supply and the market prices of medical cannabis, and ensure that the diversity and different communities of Oakland are served by encouraging dispensaries to reflect and serve the cultural and geographic diversity of Oakland.

At the same time, the cultivation of medical cannabis in Oakland has not been regulated and occurs entirely in small-scale home operations or larger-scale illicit warehouses. These unregulated operations have led to public safety hazards, including fires, burglaries and home invasions, health risks to patients, and related response costs to the City.

Council is being asked to:

1. Adopt an ordinance establishing a large-scale medical cannabis cultivation program through the issuance of Cannabis Cultivation, Manufacturing and Processing Facility permits, to be administered by the City Administrator's Office as special activity permits and adding a new Chapter 5.81 to Title 5: Business Taxes, Permits & Regulations and amending the master fee schedule to establish regulatory fees.
2. Adopt an ordinance amending the existing dispensary ordinance and increasing the number of medical cannabis dispensaries that can be permitted by the City Administrator from four (4) to six (6) under OMC 5.80.
3. Approve the attached resolution clarifying the low priority enforcement policy and guidelines for medical cannabis and under Measure Z, regarding small 3 person cooperatives.

The amendment to the medical cannabis dispensary ordinance and the new cannabis cultivation ordinance will address the public safety and health concerns of an unregulated cannabis cultivation industry. The resolution will clarify the City's low law enforcement policy and provide guidelines to the Oakland Police Department and the City Administrator's Office for enforcement and implementation. As proposed, it is expected that this would be a cost-recovery program that is self sustaining.

BACKGROUND

The Statewide Cannabis Movement

On Nov. 6, 1996 Proposition 215, the California Compassionate Use Act, was enacted by the voters and took effect as California Health & Safety Code 11362.5. The law makes it legal for patients and their designated primary caregivers to possess and cultivate cannabis for their personal medical use given the recommendation or approval of a licensed physician. This was

expanded through SB420 on January 1, 2004 to allow patients to form medical cultivation "collectives" or "cooperatives"; and established a voluntary state ID card system run through county health departments. SB 420 also establishes guidelines or safe harbors as to how much patients can possess and cultivate, protecting legal patients who stay within the guidelines from arrest.

The Regulate, Control and Tax Cannabis Act, on the California ballot this November, would legalize adult recreational cannabis in California if passed, but give localities discretion to allow, regulate and tax production and distribution.

Medical Cannabis in Oakland

On February 17, 2004, the City of Oakland adopted Ordinance No. 12585, permitting distribution of medical cannabis to authorized patients through four licensed dispensaries. The City's of Oakland's process for administering these permits and monitoring the dispensaries is considered successful, and has become a role model for the nation. In June 2009, Measure F, the taxation of Oakland's medical cannabis dispensaries, passed in a special election by 80% with no formal opposition, indicating recognition by Oakland residents the dispensaries' role in providing a legitimate service to the community.

While Oakland, and for that matter the State, has a method for dispensing medical cannabis there is no established structure for its production, growth and cultivation. This, combined with the City of Oakland's low priority enforcement policy has made it difficult for OPD to enforce within the structure of dispensary collectives.

KEY ISSUES AND IMPACTS

Key Issues Related to Dispensaries

Dispensary sales increased by 40% between 2008 and 2009, with Oakland's four permitted dispensaries generating 28 million dollars in gross sales last year. The City Administrator's waiting list of interested applicants combined with the weekly requests for information by prospective dispensaries at the Small Business Assistance Center indicate that there continue to be business opportunities in dispensing medical cannabis in Oakland.

A limitation to the program is that it is not fully cost recovering. The administrative costs of regulating four dispensaries exceed one administrative level FTE. The Finance Department and the City Administrator's Office have been consulted and have provided fully loaded staffing costs that will be addressed in an amendment of the Master Fee Schedule.

Key Public Health & Safety Issues Related to Cultivation

The \$28 million of gross sales in medical cannabis in 2009 represent approximately 6,000 pounds of cannabis, which would occupy approximately 45,000 square feet of cultivation space,

grown unregulated in homes within residential neighborhoods throughout the city and illicitly in larger warehouses throughout the region.

The Oakland Fire Department reported 7 cannabis-related electrical fires in 2008 and 2009, and many more cannabis-related fires have likely gone unreported. Residential electrical fires in Oakland rose from 133 in 2006 to 170 in 2007, 290 in 2008, and 276 in 2009. At least part of this rise is likely attributable to indoor cannabis cultivation; fire chiefs across the Bay Area cite this residential cultivation as a significant problem. Unregulated large residential and warehouse grows are also highly vulnerable to violent crime, not only for their product but also for their equipment. In 2008 and 2009, there have been 8 robberies, 7 burglaries, and 2 homicides clearly linked to cannabis cultivation. Again, these statistics are likely to understate the extent of the problem.

Currently there is no comprehensive system or method for testing medically used cannabis at the dispensary level. Further, since medical cannabis is a high-value crop, there is a strong economic incentive for cultivators to make heavy use of pesticides and fertilizers that put public health at risk and are not consistent with the crop's medical purpose.

It is reported that there are many un-permitted facilities throughout Oakland's industrial areas ranging from 1,500 s.f. – 25,000 s.f. cultivating for collectives throughout the northern California region. By forcing these operations to continue to operate unregulated create hazards to public health and safety that have had a cumulative fiscal impact on the City which is responsible for responding to and addressing these unintended consequences.

Key Issues Related to Enforcement

PROGRAM / POLICY DESCRIPTION

A. Dispensaries

Currently the City of Oakland has authorized four (4) dispensary permits be issued by the City Administrator's Office. It is proposed that this number be expanded by two to permit six (6) total dispensaries.

Of the four issued in 2009, three have renewed their permits for 2010. The Oakland Patient Center's dispensary license was revoked in December 2009 for violations of Oakland Municipal Code Chapter 5.02, including unlawful transfer of a non-transferable permit. With this one exception the dispensary permitting process and operations have done exceedingly well in the City of Oakland. Dispensary operators have been compliant with all other regulations and have developed a strong working relationship with staff, Ms. Barbara Killey prior to 2010 and now with Mr. Arturo M. Sanchez, who assumed the responsibilities of Ms. Killey upon her retirement.

The work of Ms. Killey and Mr. Sanchez has resulted in the diagnosis of several minor modifications to the existing dispensary ordinance. These modifications include adding

performance standards consistent with those developed for cultivation facilities, language intended to clarify the appeals process, and a more detailed auditing authority requirement to assure that the City has the appropriate authority to review all financial information. (See proposed Ordinance attached.)

Background checks of employees of both medical cannabis dispensaries and cultivators will be conducted; disqualification of an employee will be based on their criminal history and will exclude non-violent cannabis related crimes. This will be noted in both requests for applications.

B. Enforcement

The state allows individual jurisdictions to determine how medical cannabis policy will be implemented and enforced. The City of Oakland has adopted a low priority enforcement policy towards cannabis, which has had some gaps in interpretation. The proposed resolution will clarify guidelines to help police officers in the field and individual patients/caregivers understand our policy:

- The low priority policy applies only to medical cannabis activities by individual patients, individual primary care givers and 3-person cooperatives/associations/collectives composed of patients and their primary caregivers. Cooperatives/Associations/Collectives which are composed of 4 or more people constitute dispensaries are deemed a dispensary pursuant to Oakland Municipal Code Chapter 5.80 and must have a valid dispensary permit to operate.
- The low priority policy covers no more than one 3 person coop/collective/association per single residential unit such as a single family dwelling, apartment, condominium, work-live loft, etc.; the aggregate amounts for such cooperatives would be 216 plants indoor plants in a 96 square foot growing area, or 20 outdoor plants and three (3) pounds of dried processed medical cannabis.
- The low priority policy also covers no more than one 3 person coop/collective/association per non residential parcel, which includes undeveloped parcels, commercial and industrial structures/buildings/improvements.
- The low priority policy applies to quantities of medical cannabis, medical cannabis plants and hashish. When determining the amount of dried processed cannabis any combination of the dried processed plant and a derivative product (such as a baked or cooked food products, liquids, etc.) must not exceed the three (3) pounds per patient.

These guidelines are intended to provide the police officer in the field a tool upon which to rely on for enforcement purposes. However, if the patient or primary caregiver has a doctor's recommendation or an i.d. card and the officer call the number on the ID card and confirm that the individual reasonably needs more than these guidelines provide, he/she will be covered by the low priority policy. This will also apply if a coop/collective/association of no more than 3 persons composed of primary caregivers and patients has more than the guidelines provide.

All coops/associations/collectives composed of more than 3 persons (patients and primary caregivers) must obtain a permit from the city to cultivate or dispense medical cannabis pursuant to either OMC Chapter 5.80 or 5.81, if adopted.

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C. Cannabis Cultivation, Manufacturing and Processing Facility & Responsible Transfer Permits

The purpose of this amendment is to provide a framework for the regulation of medical cannabis cultivation that will address the public health, safety, and economic impacts currently not accounted for within the city's medical cannabis system. Central to this framework is the creation and issuance of a limited number of Medical Cannabis Cultivation, Manufacturing and Production Facility permits and Responsible Transfer permits.

Six key areas in considering regulation for medical cannabis cultivation are:

1. Magnitude / Size
2. Number of Permits
3. Distribution and Non-diversion
4. Application and Permit Type
5. Operating Standards
6. Land Use Impact

1. Production Magnitude and Total Cultivation Area

Permitting larger scale cultivation will allow for lower production costs per pound by creating economies of scale. Lower production costs will allow regulated cultivation facilities to undercut wholesale prices of cannabis grown in unregulated operations. This competition will lower the economic incentives to produce through unregulated cultivation, and the public safety risks/costs associated with those operations will decline. Home cultivation will never be entirely eliminated, as personal consumption and specialization in strain development will always exist. Dispensaries expect that they will always purchase at least 20% of their product from individual collective members.

The proposed ordinance clarifies that the City does not allow any industrial-scale cultivation except on a permitted basis. This will clearly establish the Cultivation, Manufacturing and processing permit as the only legal model, and will greatly simplify police enforcement.

2. Number of Permits

To balance the objectives of sufficient scale and ease of implementation, Council Members Kaplan and Reid are proposing the City Administrator issue four (4) Cannabis Cultivation, Manufacturing and Processing Facility permits in the interim phase of the program. Following the first year, the City Administrator will return to council with a review of the performance and impact of existing cultivation, production, and manufacturing. At this time council can provide direction for the development of a permanent ordinance and the issuance of additional permits, based on its determination of whether market demand for medical cannabis is sufficient to absorb further production, and whether the issuance of additional permits industrial scale production will serve the interests of the City.

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3. Distribution and Non-diversion

We would like to request council to direct staff to further develop as part of this ordinance, 'Responsible Transfer Permits,' to be issued by the Office of the City Administrator to licensed dispensaries in other California jurisdictions that would like to purchase from permitted Cultivation, Manufacturing and Processing Facilities under this ordinance.

Under this proposed program, licensed cultivators must request a Responsible Transfer Permit for each individual out of area legal dispensary for which they plan to do business with within California. The City Administrator will issue permits after confirming with local authorizing bodies that the applicant is a legitimately permitted dispensary in good standing. This will help ensure that cannabis produced by Oakland Cultivation, Manufacturing and Processing facilities will only be distributed to legitimate dispensaries that are monitored and regulated, thereby reducing the risk of diversion of product to the illegal market.

As a further precaution, dispensaries holding Responsible Transfer Permits could be required to report quarterly to the City Administrator's Office the cost and quantity of medical cannabis purchased from Oakland Cannabis Cultivation, Manufacturing and Processing Facilities. Sales would be subject to the recently approved tax on medical cannabis providing additional revenue for the City through sales taxes.

Contracts / agreements could exist between the cultivation and manufacturing facilities and the dispensaries business is transacted with. A mutual, closed loop, relationship could be required between the cultivation and manufacturing facilities to ensure that the Dispensaries and plant limits align with the number of members of the Dispensaries that the cultivation and manufacturing facility is providing medical cannabis to.

In the unlikely event that facilities bypass the restrictions imposed by Responsible Transfer Permits and their cultivation space become manifestly too large to be legitimate, the City Administrator will have the legal ability to limit their size.

4. Application and Permit Fees

There will be an application fee for the Medical Cannabis Cultivation, Manufacturing and Processing Facility permits of \$5,000. And a regulatory fee of \$211,000 dollars will be applied to applicants that receive permits. While Permits will be issued for the interim period of the ordinance, two (2) years, all permitted facilities are subject to annual review and payment of the regulatory fee.

The application process would be similar to that currently utilized in the dispensary permitting process with background checks, tests on legal knowledge, business plan review, site and planning review, etc. ranked by a point system.

Applicants for Medical Cannabis Cultivation, Manufacturing and Processing permits will be required to pay an application fee of \$5,000 to compensate the City for administrative costs. This is exclusive of the \$211,000 regulatory fee, described above.

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The fee is based on the development of a program similar to the Oakland Police Department's Alcohol Beverage Action Team (ABAT) – with a team of full-time staff that will be subject matter experts with a focus on managing cannabis based issues from changing laws and field innovation, to nuisance and monitoring of permitted facilities. The team will include the City Administrator's office, City Finance and Management, the Police Department, City Attorney's office and administrative support. (See attached table) Because this is an emerging industry, in addition to permitting, enforcement and monitoring of permitted facilities, staff can be encouraged to work with cannabis industry representatives on an ongoing basis in the development and evaluation of standards for the operations of medical cannabis related establishments, as well as investigate reports of illicit cannabis related cultivation, manufacturing and processing activities and pursue enforcement.

In this interim phase, a portion of the Cultivation, Manufacturing and Processing permit regulatory fee will be set aside to fund a nexus study to determine impact of medical cannabis grows on existing infrastructure in Oakland's industrial areas, which will be funded in year two. Assessments exist, that identify the "Industrial District Strategy Support: Public Infrastructure Assessment and Recommendations" for East and West Oakland.

Cultivation and manufacturing facilities could be asked, though not be required, to make contributions to entirely offset the carbon emissions resulting from its utility usage. The application process could be similar to that currently utilized in the dispensary permitting process with background checks, tests on legal knowledge, business plan review, site and planning review etc ranked by a point system.

The point system could award bonus points for preferred but not required practices, such as local ownership, third party regulating components, workforce development plans, environmental sustainability, demonstration of a commitment to responsible labor standards and community benefits. Applicants for Medical Cannabis Cultivation, Manufacturing and Processing permits will be required to pay an application fee of \$5,000 to compensate the City for administrative costs. This is exclusive of the \$211,000 regulatory fee described above.

A City of Oakland permitted dispensary may purchase from these production facilities without an additional transfer permit.

Responsible Transfer Permits will be required for any Medical Cannabis Dispensaries outside Oakland, but within California, in order to enter into purchasing agreements with Oakland Cultivation, Manufacturing and Processing facilities. To cover administrative costs to the City, Responsible Transfer Permittees will be required to pay an annual \$5,000 fee.

5. Public Safety and Public Health Operating Standards

The City can impose strong operating standards on Cultivation, Manufacturing and Processing facilities to ensure protection of public health and safety and promote economic development in the City of Oakland by establishing high-quality cultivation for dispensaries in the City of Oakland.

Sample of operating guidelines are attached. In order to protect public safety the following will be required of any cannabis Cultivation, Manufacturing and Processing facility: security plan, security personnel, restricted access, camera surveillance, criminal background checks for employees, and inspection for building code compliance. In addition, a range of additional fire safety equipment such as fire key access boxes, emergency electrical shutoffs, and emergency dampers is thought prudent by the industry in light of high electrical usage. Thorough enforcement will be made less costly to the City by requiring cultivators be insured. As this is an emerging field, there are only a few groups that are insuring cannabis cultivation operations, and insurance firms are actively engaged in monitoring their clients' operations. Policies will be approved by the Finance and Management Agency under similar standards as used for city contractors. The insurance providers have a financial interest in preventing fires, crime, violations of city laws, etc., so its own inspections and requirements will bolster enforcement. The City will have access to inspection information and be notified of any violations.

The Alameda County Agricultural Commissioner has the capacity and charge to assist the City with pesticide and pest testing. The Department of Weights and Measures already works with some of the dispensaries, and will expand their work to include permitted Medical Cannabis Cultivation, Manufacturing and Processing operations.

Apart from the county structure, comprehensive testing procedures will be developed through private testing in independent laboratories to cover not just pesticides and pests but also molds yeasts, heavy metals, toxins, nutrients, etc. Staff will work with licensed dispensaries, facilities, testing labs and other stakeholders to develop specific testing methodology, thresholds, and methods to verify the compliance and independence of private laboratories.

To ensure greater safety and promote the cultivation of a high quality medical cannabis in Oakland, standards will have a strong presumption against the use of chemicals and other substances that would not be allowed by the Organic Foods Production Act (OFPA) of 1990 and regulations in Title 7, Part 205 of the Code of Federal Regulations and The National Organic Program (NOP). The City Administrator may implement this by identifying approved agents for third party verification/certification, similar to California Certified Organic Farmers (CCOF) but specializing in organic development within the cannabis industry.

Other Operating Standards

Occupational health and safety hazards in the normal process of cannabis cultivation include safety during chemical application as well as electrical safety. Plans to address these issues should be adequately specified in the permit application process and enforcement officials such as Code Enforcement, Fire, or related County officials as manufacturing and production plans may require should verify that these plans are complied with.

To ensure minimal impact on the surrounding community, on top of designating a contact for community complaints as is currently required for dispensaries, medical cannabis cultivation manufacturing and processing facilities will also be required to take appropriate odor-elimination

measures. Odor elimination is not problematic and is usually done through air scrubbing equipment together with a negative-pressure system.

6. Land Use Impact

Concerns that permitting cannabis cultivation would fuel real estate speculation—by pushing up industrial rents and driving other industrial businesses from Oakland—are largely unwarranted. Based on interviews, and informal surveys conducted by realtors, it is our understanding that a large proportion of Oakland's industrial landowners, are currently unwilling to rent to permitted Medical Cultivation, Manufacturing and Processing facilities. Unless Federal laws change, landowners' preferences are unlikely to change significantly over time, and it is unlikely that any such speculative effect will keep other businesses out of Oakland.

Cannabis Cultivation, Manufacturing and processing is an industrial activity, which with the operating standards recommended above in place, should have no notable negative impact on surrounding industrial businesses. No retail traffic will be allowed through the permitted medical cannabis cultivation manufacturing and processing facilities and they will have less visible presence than Oakland's dispensaries have had in the industrial areas in which they are located.

The ordinance proposes recognizing medical cannabis cultivation as a production activity and allowing it in areas where Light Industrial is permitted or conditionally permitted.

C. Staffing

Code Enforcement Capacity, the City Administrator's office, Finance Department, City Attorney's Office and Oakland Police Department all play important roles in the permitting, regulation and monitoring of the Cannabis Program. The staffing needs related to the activities of this chapter are about the development of monitoring and regulation for an emerging industry and not simply the regulation of a nuisance activity, and will entail fully funding six to nine positions. This level of funding will ensure that staff stay current with industry innovation, the changing county, state and federal regulatory environment and can dedicate the time needed to work with the industry in the development of standards, guidelines and systems for the implementation of a fully functioning program. It is estimated that this can be fully administered with a regulatory fee schedule of \$211,000 per Cultivation, Manufacturing and Processing permit, \$60,000 per dispensary permit.

ALTERNATIVES

The proposed ordinance sets the total number of permits at four, with no square foot limitations, and if responsible transfer permits are approved, positions local cultivators to sell to permitted dispensaries statewide. Proposals are anticipated to range in size from 20,000 to 200,000 s.f. This will allow for a managed roll out of the program, and controlled monitoring with a limited number of cultivators.

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An alternative would be to authorize the City Administrator to issue permits to qualified applicants not to exceed establish a total square footage of all permitted cultivation facilities benchmarked to a maximum % of either the Bay Area, Northern California, or Statewide consumption.

Table 1. Cultivation Space in context of Supplying Medical Cannabis to the City, Region or State

	Oakland	Bay Area	California
total annual consumption in pounds *	6000	35,000	350,000
total square feet of cultivation space required to produce	45,000	175,000	1,750,000
assumption of market share that could be produced through local cultivators/collective members	100%	60%	20%
potential for local collective member production	6,000	21,000	70,000
total square feet of <u>cultivation</u> space required to produce **	45,000	105,000	350,000
wholesale price per pound	\$ 3,000	\$3,000	\$3,000
potential gross sales - from local cultivators to dispensaries	\$18,000,000	\$ 63,000,000	\$210,000,000
cannabis local gross sales tax	0.18	0.18	0.18
potential gross sales tax on wholesale to dispensaries	\$ 3,240,000	\$ 11,340,000	\$ 37,800,000

* Oakland consumption based in reported dispensary sales, Bay Area and State consumption conclusions are conservative and incorporate a number of sources including the Board of Equalization's estimates and conversations with various Bay Area dispensary operators and other industry representatives.

** Cultivation Space is a direct reflection of potential pounds that will be produced and is differentiated from other manufacturing and production space related to drying and processing etc.

Approximately 6,000 pounds of cannabis is the annual consumption through medical cannabis dispensaries in the City of Oakland last year. (See Table 1) This represents 45,000 s.f. of cultivation space. The projected Bay Area total medical cannabis consumption is 350,000 pounds, which represents 175,000 s.f. of total cultivation space. Assuming that the Bay Area consumes 10% of the total state consumption, there is an estimated total California medical cannabis consumption of around 350,000 pounds. We know that this is a constantly changing and growing number as medical dispensary systems are being established in municipalities which will result in a growing number of patients choosing to purchase their medicine through legitimate means.

While the alternative would most likely result in more than four permits, it would promote diversity in size and business model, and allow for individual failure without significant impact to the industry or City. It is still expected that with the annual regulatory fee of \$211,000 per permit the program would be self sustaining. Industry estimates are that there are no more than 15 known/credible large scale prospective cultivators that would meet city criteria/standards for cultivation.

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SUSTAINABLE OPPORTUNITIES

Economic: The proposed ordinances should have an immediate positive effect on the local economy by generating new employment opportunities for Oakland residents, placing Oakland at the forefront of a new and promising green industry, and generating significant tax revenue from the cultivation and dispensary permits.

Environmental: The proposed regulations and operating standards have been drafted to provide a framework for the administration to require the industry to be as environmentally sound and responsible as possible. Further the ordinance provides the administration the flexibility to promulgate further operating conditions that will help insure this industry remains environmentally friendly.

Social Equity: The City of Oakland has historically supported the need to create and provide Oaklanders with more employment opportunities in a socially equitable manner. Recognizing and fostering the continued development of an industry which provides for the safe access of medicinal marijuana sufficient to meet the needs of patients meets the social equity goals of the Oakland City Council.

DISABILITY AND SENIOR CITIZEN ACCESS

Safe access to and availability of medicinal marijuana is important to those disabled and or chronically pain ridden seniors who really on medical marijuana in their daily routine as a way to cope with pain.

ACTION REQUESTED OF THE CITY COUNCIL

Staff requests that the City Council:

1. Accept this report
2. Adopt the proposed Ordinance adding Chapter 5.81 and entitled Business Licenses and Regulations, To Pertaining to Medical Cannabis Cultivation and Manufacturing Facility Permitting
3. Adopt the proposed Ordinance amending Oakland Municipal Code Chapter 5.80 "Medical Cannabis Dispensary Permits" To among Other Things, Increase the Total Number of Dispensary Permits from 4 to 6.
4. Adopt the resolution amending Resolution Nos. 78331 and 79647, c.m.s. which established the city's law enforcement policy regarding medical cannabis and private adult cannabis offenses to clarify the city's law enforcement policy and guidelines regarding medical cannabis activities by patients, primary care givers and cooperatives and collectives consisting of patients and their primary caregivers in residential settings and non-residential settings such as commercial and industrial facilities