

ATTACHMENT A:

2019-2020 Cannabis Regulatory Commission Recommendations

Adopted by City Administration and City Council

a. 2019 Adopted Recommendations

Below is a summary of the CRC's 2019 recommendations that were adopted by the City Administration and City Council.

i. Use of State Grant Funds

In 2019 the CRC held multiple discussions regarding how the City should utilize the state grant funds that became available under Senate Bill (SB) 1294 through the Bureau of Cannabis Control (BCC) to support the City's Equity Program. The CRC's recommendations on utilizing these state funds towards revolving loans that cover equity applicants' state licensing fees, supporting shared-use manufacturing spaces, workforce development, and ongoing technical assistance were adopted by the City Administration and City Council.

ii. Reducing Cannabis Tax Rates

Likewise, the CRC held multiple discussions around lowering the business tax rates on cannabis businesses. While the new rates adopted by the City Council in December of 2019 were not as low as the CRC's recommendations (see discussion in section below), the City Council did ultimately lower the tax rates for cannabis businesses.

iii. Changes to Dispensary Permit Process

The CRC also made recommendations regarding the City's dispensary permit application and process that were adopted by the City Administration. For example, to address an issue that arose from the 2018 dispensary permit application process the CRC recommended requiring a dispensary permit applicant finalize its lease or purchase of a property within 90 days of receiving conditional approval at a public hearing in order to ensure they are moving forward with their dispensary project. Similarly, the CRC made recommendations on which questions on dispensary permit application deserved more weight than others. Both recommendations were adopted by the City Administration.

iv. Updated Equity Assessment

Finally, in 2019 the CRC recommended conducting an updated assessment of the City's Equity Program based on recommendations developed by an equity assessment subcommittee. Staff has been meeting with the subcommittee for several months and together have drafted an outline for an updated assessment that will hopefully be completed by the end of this year after data is collected from cannabis operators and information is gathered from other relevant industries.

b. 2020 Adopted Recommendations

Below is a summary of the CRC's 2020 recommendations that were adopted by the City Administration and City Council.

i. Use of Go-Biz Grant

Similar to 2019 recommendations on how to utilize the grant from the Bureau of Cannabis Control, the CRC provided guidance on how to utilize the \$6.5 million grant the City received from the Governor's Office of Business and Economic Development (Go-Biz) to further the City's Equity Program. These recommendations included extending equity applicants' eligibility for grant funding, supporting revolving loans and grants, providing emergency grants to equity cannabis businesses that were burglarized in May and June of 2020, converting loans for the purchasing of property to forgivable loans, and increasing the funding available for equity applicants' purchasing of property.

The City Administration incorporated these recommendations into legislation that the City Council adopted in 2020.

ii. Improving Communication with Grant and Loan Recipients

To improve communication between equity businesses and City staff and consultants administering loan and grant programs, the CRC recommended holding monthly meetings to maintain a regular forum for communicating program updates and receiving feedback from equity businesses. Consequently, the Special Activity Permits Division and Elevate Impact, the consultant team administering loans and grants for equity businesses, have held monthly meetings with equity businesses since August 2020.

iii. Warning Cannabis Operators in Advance of Suspected Burglaries and Extending Permit Fee Due Date for Burglarized Businesses

Following the string of burglaries on cannabis businesses in late May and early June 2020, the CRC recommended the Special Activity Permits Division and the Oakland Police Department implement an early warnings system for cannabis businesses regarding potential crimes against cannabis businesses. Subsequently, the Special Activity Permits Division has sent email notifications to its listserve of cannabis businesses in advance of suspected crimes against cannabis businesses.

Similarly, to support cannabis businesses that were financially impacted by burglaries in late May and early June 2020, the CRC supported extending the due date for fees owed by these businesses. The City Administration presented this recommendation to the City Council in November 2020 and the City Council approved extending the permit fee due date for burglarized cannabis businesses.

iv. Retreat/Planning Session

To improve cohesion amongst new and old CRC members and re-examine the function of the CRC, the CRC moved to schedule a retreat in early 2021. Special Activity Permits staff and CRC members have spent the last few months planning this retreat, which will focus the CRC's efforts in 2021 and beyond.