



City of  
**OAKLAND**  
California

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News from: **City of Oakland**

**FOR IMMEDIATE RELEASE**

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**City of Oakland Opens Application Period for Cannabis Dispensary Permits**

***Groundbreaking Equity Program aims to correct past disparities, remove barriers***

*Oakland, CA* — Today, the City of Oakland issued a Request for Permit Applications (RFP) to identify qualified individuals and entities to operate eight (8) available dispensary permits, of which four (4) permits will be available for equity applicants and four (4) permits will be available for general applicants.

This RFP is the latest step in implementing the groundbreaking Equity Permit Program passed by the Oakland City Council in the Spring of 2017 that addresses past disparities in the cannabis industry by prioritizing the victims of the war on drugs and minimizing barriers of entry into the industry. An overview of the RFP, instructions and applications are available here: <http://www2.oaklandnet.com/government/o/CityAdministration/OAK064043>

“We are committed to combatting all disparities, including those that have plagued the cannabis industry,” said Oakland Mayor Libby Schaaf. “With the launch of this innovative permitting program, Oakland is attempting to level the playing field in the medical cannabis arena and remove barriers for those who have been wronged by past practices.”

The new regulations lay an equitable foundation for the cannabis industry in Oakland at a pivotal moment given the rapid pace of the industry and upcoming statewide implementation of medical cannabis and adult use laws.

The City of Oakland is hosting a meeting to answer questions about the application process on **Monday, October 9 from 10 to 11 am** in the City Council Chamber at City Hall, located at 1 Frank Ogawa Plaza.

Application submission deadline: **November 20, 2017**

**Overview of RFP Process**

The dispensary application and RFP process are aimed at (1) promoting access to living wage employment, local ownership of assets, and wealth building and (2) ensuring cannabis businesses are safe and a benefit to their surrounding community.

Application requirements include a business plan, security plan, odor mitigation plan, neighborhood beautification plan, and an understanding of applicable state law and tax rates. General applicants that promote local ownership, hire local residents, and/or incubate equity businesses will receive bonus points on their application.

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The RFPA process will unfold in three stages:

- (1) **Application Submission:** Applicants must complete and submit a dispensary permit application and LiveScan background check.
- (2) **Review and Selection:** A panel of City staff will review timely application submittals. General applicant submissions will be scored based on the application point structure, and the top four applicants will be invited to the final phase. For verified Equity applicants, all complete submissions will be eligible for a public drawing from which four Equity applicants will be selected by lottery for the final phase.
- (3) **Site Identification:** Selected applicants will have a set period of time to identify a location for their proposed dispensary and undergo a public hearing.

### **Equity Provisions & Applicant Criteria**

In the initial phase of permitting, a minimum of half of all permits will be issued to Equity applicants. An Equity applicant is an Oakland resident who has an annual income at or less than 80 percent of the Oakland Average Medium Income (AMI) and either has a cannabis conviction arising out of Oakland or has lived for 10 of the last 20 years in police beats that experienced a disproportionately higher amount of law enforcement with respect to cannabis.

For 2016, the 80 percent AMI threshold is \$52,650 for a one-person household or \$60,150 for a two-person household. Additional household-size AMI and a roster of the qualifying police beats can be found at <http://bit.ly/2qIYU0D>. To address another barrier identified in the City's analysis, Equity applicants are not required to pay the permit application fee.

### **Free Workshops for Equity Applicants**

Equity applicants are eligible to attend one of three (3) free workshops hosted by the City of Oakland to help them with the application process and development of required business plans:

October 10:	10 am – 12 noon	1 – 3 pm
October 16:	9:30 – 11:30 am	1 – 3 pm
October 19:	10 am – 12 noon	1 – 3 pm

Workshops will be held in Hearing Room 3 of Oakland City Hall, located at 1 Frank H. Ogawa Plaza. Depending on attendance, more free workshops may be added.

To sign up: <https://form.jotform.us/makegreengo/OaklandEquityProgram>

### **Equity Incubator Program**

Since access to capital to secure a business location is a significant barrier of entry, the City's medical cannabis regulations address this issue with the Equity Incubator Program. Under the Equity Incubator Program, General applicants receive permitting priority if they provide Equity applicants with free rent for a minimum of 1,000 square feet of space to operate their business. Additionally, applicants who have not yet secured a location may still apply and obtain conditional approval, including verification of an applicant's Equity status.

## **Update on Cannabis Permitting Process**

On May 23, 2017, the City of Oakland released its Medical Cannabis Permit Application for individuals interested in cultivating, manufacturing, delivering, distributing, testing, or transporting medical cannabis in Oakland. To date the City of Oakland has received more than 200 applications for these cannabis businesses, with Equity applicants amounting to more than half of all applicants.

## **Background About the Cannabis Equity Permit Program**

On March 28, 2017, Oakland City Council unanimously adopted [Oakland City Council Ordinance No. 13424 C.M.S.](#) This groundbreaking legislation was based in part on a racial equity analysis conducted by the City's Department of Race and Equity under the leadership of Director Darlene Flynn. The analysis looked at racial disparities in drug law enforcement and the regulatory environment in the City from 1995 to 2015.

“The data shows that for over two decades, black and brown residents were arrested and incarcerated for drug offenses at disparately high rates, while largely white cannabis cultivators, manufacturers, and distributors, who were not operating entirely above board either, flourished under changing laws designed to accommodate the burgeoning industry,” said City of Oakland Race and Equity Director Darlene Flynn.

The Oakland City Council first brought these issues to light and has previously explored several alternative legislative proposals in 2016. The newly adopted regulations seek to address the ongoing economic inequality that results from disparities in drug arrests, as well as other racialized barriers to wealth-building and business ownership by bringing innovation and an equity lens to the new cannabis business licensing process.

The development of more equitable and clear guidelines for the medical cannabis industry is intended to have a positive effect for the industry as a whole, as business owners consider how to take advantage of the new adult recreational use laws.

To view videos of the City Council meetings and the accompanying staff reports, please visit the legislative record at <http://bit.ly/2qJh81T>.

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