



CITY OF OAKLAND
Office of the City Administrator

SPECIAL ACTIVITY PERMITS DIVISION
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January 13, 2021

Dear City Auditor Courtney Ruby,

Below are responses to the Recommendations outlined in the City Auditor's Investigation into the 2019-2020 Cannabis Dispensary Permit Application Process:

Recommendations

- 1. In consultation with the City Attorney's Office, the City Administrator's Office should establish more practical scoring methodologies.**

Our office accepts this recommendation and will work with the City Attorney's Office, City Administration, and the public to establish more practical scoring methodologies before commencing a new dispensary permit application process.

- 2. The City Administrator's Office should consult the City Attorney's Office for guidance on how to cure the application process as a result of the incorrect scoring that occurred.**

Our office has implemented this recommendation. Staff has consulted with the City Attorney's Office and informed the one dispensary permit applicant whose application was materially impacted by incorrect scoring that they are entitled to move forward in the dispensary permit application process.

- 3. The City Administrator's Office should implement a quality control system to protect the integrity of the application process. Additionally, the City Administrator's Office should consider developing a less onerous scoring system that minimizes human errors.**

Our office accepts this recommendation and will explore how to increase quality control and minimize human errors in future dispensary permit application processes.

- 4. The Cannabis Regulatory Commission and City Administrator's Office should consult with the Public Ethics Commission and the City Attorney's Office in the beginning of 2021 to identify the actions needed to effectively mitigate potential conflicts of interest that arise when members of the Cannabis Regulatory Commission operate cannabis businesses in the City.**

Our office accepts this recommendation and has met with the Public Ethics Commission and City Attorney's Office and identified how to address potential conflicts of interest with members of the Cannabis Regulatory Commission. In addition, the Public Ethics Commission and the City Attorney's Office provided an ethics presentation of the City's Government Ethics Act at the January 7, 2021 Cannabis Regulatory Commission meeting. The presentation included instruction on Form 700 filing, conflicts of interest, and misuse of City resources/position.

- 5. The member of the Cannabis Regulatory Commission identified in our investigation should amend their Form 700 to accurately reflect their reportable business interests.**

Our office has implemented this recommendation. Staff has advised this member to amend their Form 700.

- 6. The City Administrator's Office should request the Public Ethics Commission provide training to the Cannabis Regulatory Commission on how to complete and submit the Form 700.**

Our office has implemented this recommendation. As noted above, the Public Ethics Commission and the City Attorney's Office provided an ethics presentation of the City's Government Ethics Act at the January 7, 2021 Cannabis Regulatory Commission meeting. The overview included instruction on Form 700 filing, conflicts of interest, and misuse of City resources/position.

- 7. The City Administrator's Office should modify the dispensary application to include an acknowledgement that the applicant does not have an interest in more than two dispensaries.**

Our office accepts this recommendation and will include this acknowledgment in future dispensary permit applications.

- 8. The City Administrator's Office should incorporate the applicant's right to an appeal including relevant deadlines to appeal into the determination letter that is distributed at the conclusion of the application process.**

Our office accepts this recommendation and will implement this recommendation in future dispensary permit application processes.

Sincerely,



Greg Minor
Assistant to the City Administrator