

Retail Commercial Cannabis Application Frequently Asked Questions (FAQs)

(This FAQ will be updated as City staff receives and responds to more frequently asked questions.)

NEW AND REVISED! As of January 6, 2021

- 1. Will the City accept Docusign or another form of electronic signature for application signature or signature on any portion of the application?**

Answer: Yes, the City will accept Docusign or similar electronic signature formats where original signatures are required.

NEW! As of January 5, 2021

- 2. For the notarization, given Covid, is it mandatory at this point to have all signatures notarized by a live notary for submission?**

Answer: An electronic notarization is acceptable.

- 3. I did not receive a copy of my background check receipt. What do I do?**

Answer: Provide a copy of the email transmitting the request. Provide documentation, if you have it, of the background check being initiated. Applications will not be rejected for lack of an HdL provided receipt. HdL will be reviewing the applications and verifying all applicants on the application form (Page 3 of 8 of the application - applicants with financial interest) have initiated a background check with HdL either as part of the prior retail process or the current/new retail process.

NEW! As of January 4, 2021

- 1. The instructions ask for the DOB of each owner but there is no place to put that on the application form. May I assume it is not required this time?**

Answer: The date of birth for those individuals is not required at this time.

- 2. Are hard copies of corporate documents required for the submission?**

Answer: A hard copy of the corporation documents is required with your submission.

- 3. Can a cannabis retail applicant submit the same exact proof of capitalization documents it submitted during the first application round in May 2020? Or should applicants submit more recently dated proof of capitalization documents?**

Answer: Proof of capitalization should be no older than 6 months.

- 4. I did not receive a receipt when I submitted my application to HdL for background check. What should I do?**

Answer: Submit a copy of the receipt that was provided when you submitted the request for background check. The receipt would serve as the confirmation or results that they completed the background application.

- 5. Where can I secure a copy of the City's retail cannabis tax rate requirements?**

Answer: The tax rates for cannabis can be found at Oxnard City Code Section 11-414. (You can review the code online at <https://codelibrary.amlegal.com/codes/oxnard/latest/overview>. The initial tax rate for retail is 4 percent of gross receipts.)

NEW! As of December 28, 2020

- 1. I did not receive a receipt when I submitted my prior retail cannabis application.**

Answer: If an applicant is the same legal entity in all aspects (including the same form of ownership -- i.e., general partnership, LLC, LLP, corporation etc.), then that same applicant will *not* be required to pay the application fees that the applicant paid in the prior retail cannabis solicitation process if that applicant submits a new application in this process (subject to the provisions of the Guidelines cited above regarding a fee waiver on a one-for-one basis). That applicant will also not be required to provide receipts of the prior payment of the fees. If, however, the applicant is *not* the same legal entity that originally applied for a permit in the prior process, then the new applicant will be required to pay all applicable fees in the new process.

- 2. The landlord of [the property] to be utilized for a Cannabis Retail License Application and business is asking if liability insurance for the business needs to be in place for the application or are we just to certify that it will be in place prior to the operations of the license facility?**

Answer: Proof of insurance will not be required with application submittal. However, proof of insurance will be required as a condition of discretionary permit approval should the applicant advance to that stage of the process (Phase 4).

- 3. Will you please clarify what LLC paperwork needs to be provided, where that LLC paperwork goes, and if it counts as part of the 125 pages if it is attached to the Business Plan?**

Answer: The applicable business formation documents need to be attached to the Business Plan; however, such business formation documents do not count as part of the 125 page limit.

***** As of December 18, 2020**

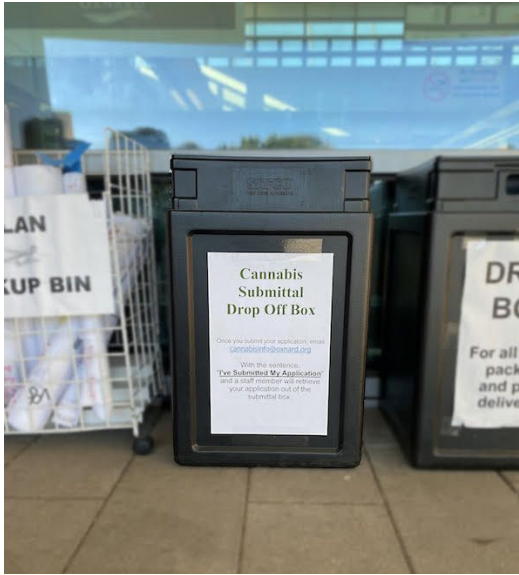
- 1. When will the onsite cannabis drop off box be available for submissions?**

Answer: Beginning December 18, 2020 from 8:30 a.m. to 6:00 p.m. Monday - Thursday (on alternative Fridays City Hall closes at 5:00 p.m.), the Cannabis Drop Off Submittal Box will be made available for contactless drop off. Once you've placed your submittal in this box, send an email to cannabisinfo@oxnard.org. The subject should state: "I've Submitted My Application". Upon receipt of this email, Staff will retrieve the package from this Drop Off Box during normal business hours.

Please visit oxnard.org for Service Center hours and closures. The City of Oxnard is closed alternate Fridays.

NOTE: The City will have reduced cannabis drop off hours on December 23, 2020 and December 31, 2020 where the box will be available from 8:30 a.m. to 12:00 p.m.
The City will be closed on Christmas Eve (12/24/20), Christmas Day (12/25/20) and New Year's Day (01/01/21).

For clarity the Cannabis Submittal Drop Off Box will look like the following:



- 2. I would like to make changes to the floor plan that I originally submitted [with the prior process]. Is this possible?**

Answer: The City has reopened the retail cannabis application process. There is no “making changes” to the prior submittal as this is a completely new retail cannabis application submittal.

- 3. The Cannabis Application Procedure Guidelines does not contain a font or margin requirement. Please clarify this requirement.**

Answer: There is no margin limitation. However, the PDF must be legible and easy to read for the reviewer. A font size of 11pt or greater should be used in order to maximize legibility. In addition, do not bind your application materials.

- 4. I was looking at the retail cannabis application process and was uncertain if local retail permits are separated from the maximum number of retail permits of 16, or if the three local permits are included in this number? Example, if a local equity applicant scores in the top 3 of all 16, does the local equity applicant take position 3 of 16 (total approved) or 1 of 3 (Local Equity)?**

Answer: As indicated on the Commercial Cannabis Business Application, applicants have the option to apply as either: "Retail (Store-Front)" or as "Retail **and** Local Equity Applicant/Retail" [emphasis added]. You should also review the definition of "Local Equity Applicant" in [Ordinance No. 2994](#). That definition provides (in pertinent part):

"If an applicant does not obtain a Commercial Cannabis Business Permit based upon the local equity status, then that applicant shall not be deemed a Local Equity Applicant."

In practical terms, this means that the City will first determine the top 13 retail slots. After those 13 slots are selected, then the City will select the top three Local Equity Applicants from the remaining pool of eligible applicants who advanced to Phase 3. This is a general summary of the process; such selections and actual issuance of the permits are subject to the requirements of [Ordinance No. 2994](#) and other applicable regulations.

Any applicant is free to modify their ownership structure so that they can also compete for one of the three Local Equity Applicant/Retail slots. If they don't, then they will be competing for one of the 13 retail slots if they submit a complete application and meet the advancement criteria. If, however, an applicant modifies its ownership structure so that it can compete for one of the three Local Equity Applicant slots, that applicant would have to meet the requirements for Local Ownership as of the date of the application *and* maintain such Local Ownership *at all times* if their ownership interest(s) are used for qualifying as a Local Equity Applicant for one or more Commercial Cannabis Business Permits.

- 5. If we wanted to make changes to the ownership team and possibly owner entity will that affect the resubmittal? There is continuity in the original members still being involved. Our concern is we don't want to have to repay the application fees.**

Answer: As stated in the Cannabis Application Procedure Guidelines:

"Exception to Required Phases 1-3 payment: If the Applicant submitted one CCB Application in the prior City CCB process that opened on February 18, 2020 through May 22, 2020, the Applicant shall not be required to pay the Phases 1-3 application fees for Phases 1-3 for a new CCB Application. An applicant who previously submitted more than one CCB application in the prior City CCB process shall receive a fee waiver on a one-for one basis. Please be advised that if you advance to a Phase in which you did not pay the fees from the previous process, you will be required to pay them in order to participate in that Phase."

As such, if an applicant is the same legal entity in all aspects (including the same form of ownership -- i.e., general partnership, LLC, LLP, corporation etc.), then that same applicant will *not* be required to pay the fees that the applicant paid in the last process if it submits a new application in this process (subject to the provisions of the Guidelines cited above regarding a fee waiver on a one-for-one basis). If, however, the applicant is

not the same legal entity that originally applied for a permit in the prior process, then the new applicant will be required to pay all applicable fees in the new process.

- 6. The [new] 8 page application questionnaire asks the applicant to check a box, either for a “retail storefront” or for a “Retail and Local Equity Applicant/Retail.” If a cannabis applicant wants to be considered both for a local equity application which it earned in the prior program, I understand it would check the local equity box and not have to pay a new fee. But if it wants to be considered also for the pool of 13 non-local equity permits, what then? Is it the same application and fee or does it have to submit a second application? And pay a second fee?**

Answer: If a proposed applicant wishes to apply for both the retail and the Local Equity Applicant/Retail permits, the applicant should check the second box (Retail and Local Equity Applicant/Retail). The applicant would, of course, still need to meet all of the requirements for a Local Equity Applicant in order to properly check this box.

Only one application fee will be required for that one application -- with the fees waived if the same legal entity (i.e., the same applicant) applies as with the prior terminated process. This is, however, subject to this specific provision in the Guidelines: “An applicant who previously submitted more than one CCB application in the prior City CCB process shall receive a fee waiver on a one-for-one basis[.]”

- 7. If the proposed cannabis applicant wants to be considered for a Local Equity permit, there does not appear to be anything in the Application Guidelines evaluation criteria addressing local equity eligibility, let alone the local equity qualifications spelled out in the new Ordinance, such as reaching the 40% local ownership threshold, and meeting the factors for residency for example. To the extent local equity applicants are to be evaluated based on the quality of local ownership, does the City want any content that addresses those issues and if so where would that go in the application, or does the City just want a signed Attachment A as the entirety of its submission for local equity eligibility?**

Answer: For purposes of applying as a Local Equity Applicant, the only information that needs to be completed to verify this status is Page 3 of the Commercial Cannabis Business Application, where Local Ownership percentages are required to be identified. Ordinance No. 2994 defines “Local Ownership” to include those who are a resident within the City of Oxnard’s corporate boundaries, subject to ongoing verification under penalty of perjury. The owner(s) with Local Ownership totaling 40 percent or more would need to meet the requirements for Local Ownership as of the date of the application *and* maintain such Local Ownership *at all times* while their ownership

interest(s) are used for qualifying as a Local Equity Applicant for one or more Commercial Cannabis Business Permits.

- 8. Page 8 of the Commercial Cannabis Business Application asks that business formation documents for the entity be attached to the “business plan.” In the original submission we included a copy of the entity articles of organization in the 125-page submission since that was the only place with a “business plan”, but I understand other applicants attached them to the 8 page application document. Which is acceptable? Either?**

Answer: As stipulated in Appendix A, Criteria 1 - 8 are required to be addressed in the 125-page limit. The correct approach would be placing the Business Plan with the responses to Criteria 1-8 (File #3 which is limited to 125 pages see below). If the Business Plan does not appear in the Evaluation Criteria (File #3), the applicant will receive a score of zero for that Evaluation Criteria. This would most likely cause the application to receive a score *below* the required minimum 80% to advance to the next phase.

- 9. Will the city accept the previous property owner consent form? I believe I sent the original notarized copy with the documents in the first submittal. I have a copy of the original. Will this be okay?**

Answer: Yes, if there is no change in the legal entity that will be submitting the Commercial Cannabis Business Permit Application, the consent form is for the same property, and the same company/person still owns the property in question, then you can resubmit the same form. A copy is acceptable.

- 10. In reading through the ordinance governing commercial cannabis activity in Oxnard, I noticed a specific parking requirement the facility may not be able to meet. Oxnard City Code Section 11-485(M) [as modified by Ordinance No. 2994] provides:
(M) Parking requirements shall be in accordance with the Oxnard City Code - 1 parking space per 250 square feet or as stipulated in a city traffic engineer approved parking study. I am unclear as to how I can find out whether a stipulation with a city traffic engineer exists. Is this information you can provide me with? If not, can you direct me to a city official who can?**

Answer: If your client submits an application for this location and is selected to apply for a discretionary land use permit/Special Use Permit with the City (the final step before a Commercial Cannabis Business Permit is issued for a retail use), then -- as part of the

subsequent discretionary land use permit process -- your client would need to demonstrate (among other issues) that the required off-street parking is available at the subject location. Through submittal of a City Traffic Engineer approved parking study and Planning Commission approval of this reduction, Oxnard City Code Section 16-651 allows for a reduction in the required number of parking spaces if specific conditions are met. If that reduction in parking is *not* approved, however, then the Special Use Permit (SUP) would be denied and the applicant would *not* be issued a Commercial Cannabis Business Permit at the subject location.