Presentation Outline

- **Existing MCDs:** Regulations and Locations
- **Land Use Tools and Process**
- **Proposed License Types:** Existing Use Definitions and Regulations
- **Cannabis Retail:** Issues and Considerations
Existing MCD Regulations

Process

- Generally requires a Mandatory Discretionary Review, but some districts require a CU.

Location Requirements

- Must be at least 1000’ from School or other “sensitive use” that primarily serves persons under 18 years.
- Cannot be located on the same parcel as a facility providing substance abuse services.
- Anti-clustering provision in the Excelsior Outer Mission NCD.
Existing MCD Regulations

Planning Code’s Operating Requirements

- Adequate ventilation for smoking on site.
- No Alcohol Sales on site.
- Hours of operation can only be from 8-10; however two locations can be open 24 hours.

Existing MCDs

- Most MCD applications are approved.
- 28 Dispensaries Citywide, the vast majority are located within District 6 and none are located in Districts 4 or 2.
Existing MCD Regulations

Existing MCDs by Supervisor District
Existing MCD Regulations
Land Use Tools and Processes

- Public Engagement/Participation
  - **Pre-application Meetings** require applicants to have an outreach meeting with the community prior to submitting an application to the Planning Department.
    - Allows early feedback from neighbors and for applicants to “test the water.”
    - Is currently required for, MCDs, Formula Retail and some developments.
  - **Neighborhood Notice** (311/312 Notice) is a mailed notice sent to owners and occupants within 150’ of the site. Also requires a poster on site.
    - Helps ensure that the community has the opportunity to engage in the process and is informed about development in their neighborhood.
Land Use Tools and Processes

- **Public Engagement/Participation**
  - **Planning Commission Hearings** allows the public an opportunity to let their opinions be known to the decision makers.
    - Large showing of opposition or support is very effective at influencing Commission.
    - Public hearings can be very contentious.
    - The Planning Commission hearing schedule is typically very full, and requiring a hearing can significantly delay a project.
Land Use Tools and Processes

Three Main Approval Types

- Principally Permitted Applications
- Conditional Use Applications
- Mandatory Discretionary Review
Land Use Tools and Processes

- **Principally Permitted Applications**
  - The use is “as of right” and does not require a Planning Commission hearing.
  - Can be required to have Neighborhood Notice before approval by staff.
  - Typically used in SF for less controversial uses like personal service uses, clothing stores, and the like.
  - Can be appealed to the Planning Commission under a Discretionary Review request.
  - Issued permit can be appealed to the Board of Appeals.
Land Use Tools and Processes

- **Conditional Use Applications**
  - The use is not permitted unless the Planning Commission finds that the proposed use is “necessary or desirable.”
  - Requires a Commission hearing, public notice, and that the use meets certain findings.
  - Must be approved by the Commission with an affirmative vote. A tie vote means the application is disapproved.
  - Uses subject to CU are typically more impactful or controversial uses like bars, liquor stores, massage parlors and formula retail.
  - Appealed to the Board of Supervisors.
  - Fee is based on cost of construction.
Land Use Tools and Processes

- **Mandatory Discretionary Review**
  - The use is permitted, but may require additional scrutiny. MCDs are the only use currently subject to Mandatory DR.
  - Requires public notice, and hearing.
  - Commission can deny or modify the application if it finds that the proposed use presents an “exceptional or extraordinary circumstance.”
  - Does not need to have an affirmative vote to be approved. A tie vote would be an automatic approval.
  - DR’s are not appealable; however, the permit associated with the DR can be appealed to the Board of Appeals.
  - Fee is a flat fee
Land Use Tools and Processes

- Location and Operating Conditions
  - Allows uses to be permitted as of right by proactively addressing common community concerns.
  - Can set clear expectations for operators and the community.
  - Typically used for more intensive or disruptive land uses like industrial uses, bars and liquor stores.
  - Can also include transparency and design considerations.
Proposed License Types

License Types under the Adult Use of Marijuana Act (AUMA)

- **Cultivation:** 13 different license types divided by small/large, outdoor/artificial light/mixed light, nursery

- **Manufacture:** 2 different license types divided by using VOC and not using VOC

- **Testing:** 1 license

- **Distributor:** 1 license

- **Microbusiness:** 1 license

- **Retail:** 1 license
Proposed License Types

License Types under the Adult Use of Marijuana Act (AUMA) (cont.)

- Most new license types could fit within existing Planning Code use definitions; however it may be prudent to create new definitions in some cases.
  - This would depend on whether the existing regulations for that use are consistent with how the City wants to regulate AUMA Licenses

- Existing Code definitions should be amended to include or exclude proposed license types, similar to how we regulate alcohol.
  - This will ensure clarity and consistent application
Proposed License Types

Cultivation

- Planning Code has 3 existing land use definitions that could apply; Neighborhood Agriculture, Large Scale Urban Agriculture, and Greenhouse

- **Neighborhood Ag.** is generally principally permitted throughout the City in all use districts. Limited to 1 acre or less, household landscaping equipment only, and can sell product onsite.

- **Large Scale Urban Ag.** generally requires a CU, but P in larger scale neighborhoods. Greater than 1 acre can sell produce on site.

- **Greenhouse** generally requires CU, generally not permitted downtown, but principally permitted in Industrial districts.
Proposed License Types

Cultivation

- The Planning Code’s **Agricultural Use** definitions should be amended to clarify where the City wants to permit cannabis cultivation. Current definitions are silent on the issue.

- **Neighborhood Agriculture** is principally permitted in all Residential Districts, this potential conflict should be addressed in any proposed change.

- **Greenhouse** definition should be amended to expressly permit or prohibit grow houses.
Proposed License Types

Cultivation: Large Scale Urban Ag.
Proposed License Types

Cultivation: Greenhouse
Proposed License Types

Manufacturing

- Planning Code has 3 use types that are likely candidates for manufacturing cannabis products: **Food Fiber and Beverage Processing 1**, **Food Fiber and Beverage Processing 2**, and **Light Manufacturing**.

- **FFBP1** low potential for noxious fumes, noise and nuisance to the surrounding area. Could be used for Manufacturer 1, License Type 6, no VOCs

- **FFBP1** is principally permitted in all industrial districts, except PDR-1-B

- **FFBP2** high potential for noxious fumes, noise and nuisance. Could be used for Manufacture 2, License Type 7, VOCs

- **FFBP2** is either principally permitted or conditionally permitted in all industrial districts except PDR-1-B
Proposed License Types

Manufacturing: Food Fiber and Beverage Processing 1 & 2
Proposed License Types

Manufacturing (cont.)

- **Light Manufacturing** provides for the fabrication or production of goods for distribution to retailers or wholesalers for resale. The use primarily involves the assembly, packaging, repairing, or processing of previously prepared materials.

- **Light Manufacturing** would likely not permit the processing of extracts, but would allow the production of edibles and the like.

- **Light Manufacturing** is allowed in all Industrial, Downtown, and some SOMA Mixed Use Districts.
Proposed License Types

Manufacturing: Light Manufacturing
Proposed License Types

Testing

- Would likely fit under the definition of **Laboratory**, which includes “analytical laboratories” in its definition.

- Laboratories are permitted in Downtown, Industrial, and some SOMA Mixed Use Districts.

Distributor

- Would likely fit under the definition of **Wholesale Sales**.

- **Wholesale Sales** are permitted in Downtown, Industrial, and most Mixed Use Districts.
Proposed License Types

Testing and Distributor: Laboratory and Wholesale Sales
Proposed License Types

Microbusiness

- Similar concept to a microbrewery: allows cultivation, distribution, manufacture and sale of cannabis.

- Cultivation is limited to 10,000 square feet, or less than ¼ of an acre.

- Would likely be regulated by whether or not the activities are permitted in that zoning district.

- Not clear if all activities have to happen on site.
Proposed License Types

Cannabis Retail

- Would likely require a new definition be added to the Planning Code.
- Most controversial and uncertain use category under the AMUA
- Permit allows retail sale and delivery of cannabis.
- Significant location restrictions.
  - Cannot be within 600’ of a school, day care center, youth center that is in existence at time the license is issued. Unless local jurisdiction sets a different radius.
  - No smoking within 1000 feet of school etc.
Proposed License Types

Cannabis Retail (cont.)

- Cannot allow cannabis smoking/vaporizing where tobacco smoking is prohibited.
- Cannabis consumption cannot be visible from public place or non-age restricted area.
- Cannabis sellers cannot also sell tobacco or alcohol.
## Proposed License Types

### Summary

<table>
<thead>
<tr>
<th>Type of Use</th>
<th>Existing applicable Planning Code category?</th>
<th>New Planning Code category likely needed?</th>
<th>Significant Amendments/ Clarifications Needed?</th>
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<tr>
<td>Cultivation</td>
<td>Neighborhood Agriculture Large Scale Urban Agriculture Greenhouse</td>
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<td>Manufacturing</td>
<td>Food Fiber and Beverage Processing 1 &amp; 2, and Light Manufacturing</td>
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<td>Distribution</td>
<td>Wholesale Sales</td>
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<td>Testing</td>
<td>Laboratory</td>
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<td>Retail Sale</td>
<td>General Retail Sales and Service</td>
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<tr>
<td>Microbusiness</td>
<td>Various</td>
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Cannabis Retail

Issues to discuss

1. Which Zoning Districts should cannabis retail be allowed in?
2. What type of entitlement should be required?
3. Should there be an anti-clustering provision?
4. Should we adopt operating conditions or good neighbor policies for cannabis retailers?
5. Should the City allow businesses to sell cannabis as an accessory use?
6. Should Deliveries be regulated separately than Retail Cannabis?
Cannabis Retail

Which Zoning Districts should it be allowed in?

- Should Retail Cannabis sales be allowed in all zoning districts that permit retail sales, or should it be limited to more intensive zoning districts?

- What are the social equity issues that the City should consider?

- In vertically zoned districts should we allow retail cannabis above the ground floor?

- What type of buffer should there be around sensitive uses?
Adult Use Retail Expansion
200ft Buffer Around Schools
Adult Use Retail Expansion
300ft Buffer Around Schools
Adult Use Retail Expansion
600ft Buffer Around Schools
Adult Use Retail Expansion
800ft Buffer Around Schools
Adult Use Retail Expansion
1,000ft Buffer Around Schools
Cannabis Retail

What type of entitlement should be required?

- Principally Permitted, CU Authorization or Mandatory DR
- Should there be a commission hearing for each new retail outlet, or can most issues around retail cannabis be resolved through location and operating conditions?
- What level of public input and participation is appropriate?
- The approval process does not have to be a one size fits all approach for each zoning district.
- Consideration should be given to the appeal process and its impacts.
Cannabis Retail

Should there be an anti-clustering provision?

- Anti-clustering sets a buffer around existing cannabis retailers to prevent excessive concentration in any one neighborhood.

- Massage uses and MCDs in some districts have anti-clustering provisions.

- There are already significant constraints on where retailers can locate, a buffer should take this into account.

- Clustering is one of the biggest concerns of neighbors with regards to MCDs.
Adult Use Retail Expansion
300ft Buffer Around Permitted MCDs + 600ft Buffer Around Schools

- Permitted MCDs
- Pending MCDs
- Adult Use Retail Expansion
Adult Use Retail Expansion
300ft Buffer Around Permitted and Pending MCDs + 600ft Buffer Around Schools

- Permitted MCDs
- Pending MCDs
- Adult Use Retail Expansion
Cannabis Retail

What type of operating conditions or good neighbor policies should we adopt for cannabis retailers?

- **Task Force Recommendation:** San Francisco should develop cannabis business operating standards to form part of the business permitting process. These standards would ensure that cannabis businesses are “good neighbors” to the communities in which they are located.

- **Task Force Recommendation:** Cannabis businesses should be like any other business in San Francisco in appearance and manner: well-lit, clean, appropriate hours of operation, guidelines for security, etc.
Cannabis Retail

Should the City allow businesses to sell cannabis as an Accessory Use?

- **Accessory Use** is defined as: “A related minor use that is either (a) necessary to the operation or enjoyment of a lawful principal use or conditional use; or (b) appropriate, incidental, and subordinate to any such use.”

- Could allow for more retail outlets with fewer impacts than full retail locations.

- Stores that sell alcohol and tobacco cannot also sell cannabis.

- What sort of limits should be placed on accessory cannabis sales to keep them accessory? Shelf space, floor space, number or quantity of products? A combination?

- What sort of businesses would have accessory cannabis sales?
Cannabis Retail

Should Deliveries be regulated separately than Retail Cannabis?

- AUMA allows retail permit holders to do delivery.
- Currently, delivery only MCDs are regulated the same as retail operations. Should this practice continue?
- If we regulate deliveries only, what sort of Zoning Districts should these businesses be allowed in?
Questions?