

San Francisco Cannabis State Legalization Task Force
 Year I Recommendations
 Office of Cannabis Inventory Document - 10/16/2017

Note: NL = Not Legislated

#	Recommendation	Included	Rationale	
Recommendation Category 1: Public Safety and Social Environment (PSSE)				
Recommendation Sub-Category: Public Safety				
Driving Under the Influence (DUI)	1	Local policy guidelines for driving under the influence should be developed that are based on behavior testing until science-based testing exists.	NL	
	2	San Francisco should provide technical assistance to California Highway Patrol (CHP) as they develop DUI protocols and standards. As part of this technical assistance, San Francisco should explore the use of cannabidiol (CBD) as an antidote to manage overconsumption, with the current naloxone program as a potential model.	NL	
	3	San Francisco should develop and implement a city-wide DUI public awareness campaign.	NL	DPH is in the process of crafting a public awareness campaign that will include education around driving under the influence, per the Mayor's request via the November 9, 2016 Executive Directive.
Neighborhood Safety	4	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.	Yes	Good Neighborhood Policies are contemplated in the legislation and applicants are required to agree to them as part of the application process. The proposed standards are the following: (i) Provide to residential and commercial neighbors located within 50 feet of the Cannabis Business the name, phone number, and email address of an onsite community relations staff person who may be contacted concerning any problems associated with operation of the establishment; (ii) Maintain the Premises, adjacent sidewalk and/or alley, and associated parking areas in good condition at all times; (iii) Prohibit loitering in or around the Premises, and post notifications on the Premises advising persons of this prohibition.
	5	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.	Yes	Operating standards contemplated will require cannabis businesses to ensure their space and the space surrounding their establishment is secure, remains free of litter, and is lit in a manner that supports public safety.
San Francisco Police Department (SFPD)		Three top considerations for the San Francisco Police Department (SFPD) when it is developing its criminal enforcement and training strategies are:	NL	

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Enforcement and Training Priorities	6	a) Strategies must represent community sensitivities and be developed together with parents or an agent of family representation;	NL	
		b) Strategies should be informed by subject matter experts in all areas of the cannabis industry, and not simply police officers training and/or educating other police officers;	NL	
		c) The SFPD should collaborate with Child Protective Services to establish guidelines for determining the safety of a juvenile in the custody of an impaired adult.	NL	

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Recommendation Sub-Category: Public Consumption				
Meaning of the Word "public"	7	San Francisco should allow and create policy pathways for smoking cannabis in public places that become privatized. These pathways should follow rules set by the San Francisco Department of Public Health for tobacco use.	No	The California Health and Safety Code states that the smoking of cannabis or cannabis products is prohibited in any location where the smoking of tobacco is prohibited. San Francisco has been a leader in ensuring that everyone has the right to clean air and is not exposed to second hand smoke. San Francisco's policymakers have passed local ordinances that include the prohibition of smoking of tobacco or any other weed or plant products in public areas such as parks, recreation areas and at certain outdoor events. As with the smoking of tobacco, passive exposure to marijuana smoke among children, nonsmokers, and people who work in cannabis businesses is a concern, and the City is committed to maintaining its progressive clean air laws. Therefore, this legislation does not propose allowing smoking/vaping in public places, except at medical cannabis dispensaries that received a prior smoking-area designation from the Planning Department.
	8	The smoking of cannabis should be allowed anywhere that tobacco smoking is allowed. Indoor venues must provide proper ventilation that addresses odor and smoke if smoking is allowed indoors.	Partial	Under California and San Francisco law, the smoking of tobacco is not allowed in any place of employment, with a limited number of exceptions. Under the proposed legislation, a permitted medical cannabis dispensary with a prior smoking-area designation from the Planning Department will be allowed to maintain its smoking/vaping onsite location for medical use only. Beyond that, smoking/vaping is not proposed to be allowed at other commercial cannabis locations in the City. Note also that the proposed legislation requires such dispensaries to meet ventilation guidelines that will be developed by the Health Department.
	9	The San Francisco City Attorney should provide further legal guidance regarding consumption in public-private spaces, i.e. where, when and how it could be done in the City.	No	Further clarification is not being sought by the City on this issue at this time.

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On-site Consumption per Proposition 64	10	San Francisco should allow on-site consumption at cannabis retail locations.	Partial	Under the proposed legislation, the City will allow on-site consumption of edible cannabis products. The Department of Public Health will issue a separate permit to cannabis retailers that wish to allow onsite consumption of edible products, and rules and regulations to that effect will be forthcoming. Note that under the proposed legislation, the definition of consumption does not include smoking/vaping. A permitted medical cannabis dispensary with a prior smoking-area designation from the Planning Department will be allowed to maintain its smoking/vaping onsite location for medical use only. Beyond that, smoking/vaping is not proposed to be allowed at other commercial cannabis locations in the City.
	11	San Francisco's on-site consumption requirements should not be stricter than those outlined in Proposition 64.	Partial	Under the law, The Department of Public Health will develop rules and regulations governing the on-site consumption permit. These rules and regulations will incorporate whatever consumption allowances the State will provide for in its emergency regulations, to be released in November, 2017.
Overconsumption and Encouraging Safe and Responsible use Across the City	12	San Francisco and the Department of Public Health should collaborate with the cannabis industry and the community to develop a health promotion strategy for preventing overconsumption and youth access.	Yes	The Department of Public Health is actively developing a public awareness campaign focused on driving under the influence and youth access and exposure. DPH will aim to include a variety of perspectives in developing and implementing this campaign.
Recommendation Sub-Category: Youth Access and Exposure				
Education	13	The San Francisco Unified School District (SFUSD) should be involved in developing age-appropriate cannabis education for San Francisco schools' health education program.	NL	
	14	The SFUSD has an existing educational model focusing on wellness centers and health-based classroom education that should be used as the foundational framework for age-appropriate cannabis education. This framework should be analyzed (via data review) to identify gaps and revitalize the curriculum to effectively educate schoolchildren about cannabis use.	NL	
	15	Proposition 64 funding for student-focused cannabis education programs should also capture children outside of the SFUSD system.	NL	

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	16	Proposition 64 funding for student-focused cannabis education programs should be distributed in a collaborative way across a variety of organizations, especially those that are already engaged in these issues. To ensure this, San Francisco should develop funding criteria for making grants.	NL	
	17	The State should vest decisions regarding student education implementation and funding criteria solely in the counties.	NL	
Preventing Sales to Minors	18	San Francisco should conduct research regarding access for minors in the illicit market after the passage of Proposition 215 and in other states that have legalized cannabis for adult use in order to better understand how minors may access cannabis after adult use is legalized in California.	NL	The Health Department is conducting a health impact assessment that draws together evidence from multiple sources to better understand the potential health impacts from legalization in San Francisco, especially with regard to youth access and exposure. The Health Department will continue to collaborate with research experts to monitor the impact of cannabis legalization on minors
Advertising	19	The regulation of other industries, such as alcohol and tobacco industries, should serve as a model for monitoring the effect of advertising on minors.	Yes	State cannabis related advertising restrictions prohibit cannabis advertising within 1,000 feet of schools, playgrounds, youth centers, or day care centers. State law also prohibits advertising to occur in a manner intended to encourage persons under 21 years of age to consume cannabis or cannabis products. The City will work with the state, regional and local partners to develop any necessary and appropriate policies regarding monitoring of advertising to minors.
	20	The San Francisco City Attorney should conduct research regarding the free speech limits to regulating cannabis advertising at the local level.	NL	
	21	San Francisco should conduct research to learn more about the strategies other adult use legalization states have used to regulate advertising to protect youth.	NL	
	22	San Francisco's advertising regulating bodies must do continuous forecasting to appropriately guard against "too much cannabis advertising" and be agile in adapting to rapidly emerging social trends that could increase exposure to youth.	NL	The City will work with the state, regional and local partners, including local agencies that provide access to advertising opportunities, to develop any necessary and appropriate policies regarding monitoring of advertising to minors.

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Criminal Diversion and Decriminalization Options for Youth	23	It is unlikely that, even with the most robust cannabis education programs for youth, there will be a zero percent usage rate among minors in San Francisco - they may continue to consume and/or sell in schools and other places. In light of that, San Francisco schools should take a reality and science-based disciplinary approach and rely on harm reduction principles to manage such situations. For example, for minors who commit cannabis-related offenses while at school, suspension and expulsion should not be the default tools used by schools to discipline students.	NL	
Youth Protection	24	San Francisco Unified School District should identify and collaborate with key stakeholders to explore alternatives to expulsion for youth facing disciplinary action for cannabis.	NL	
	25	San Francisco should develop policies to protect youth, e.g. develop clearly labeled packaging requirements to prevent accidental cannabis consumption by youth.	Yes	The legislation mirrors state requirements that all items sold must be in a child resistant container and placed in an opaque package when transported off a permitted premises.
Recommendation Sub-Category: Tourism/Hospitality				
San Francisco Cannabis Culture	26	San Francisco should collaborate with stakeholders to develop policies that achieve an appropriate balance between discretion and visibility of adult use cannabis culture. Along these lines, the City should create pathways that allow tourists to access adult use cannabis products and legal consumption spaces while preventing undesired exposure for those who prefer limited interaction with the		
		a) Allow cannabis consumption indoors to prevent unintended exposure	Yes	Under the proposed legislation, the Department of Public Health will issue separate permits to cannabis retailers that wish to allow onsite consumption of edible cannabis products, and rules and regulations to that effect will be forthcoming. Tourists would be able to access such spaces for consumption purposes. A permitted medical cannabis dispensary with a prior smoking-area designation from the Planning Department will be allowed to maintain its smoking/vaping onsite location for medical use only. Beyond that, smoking/vaping is not proposed to be allowed at other commercial cannabis locations in the City.
		b) Limit visibility of consumption in adult use retail storefront locations to prevent exposure from the street	Yes	The legislation allows for consumption of cannabis at retail locations that obtain an onsite consumption permit from DPH, and such consumption locations may not be visible from any public place or non-age restricted area.

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		c) Collaborate with tourism/hospitality stakeholders to provide tourists with educational materials and information about safe access and consumption of adult use cannabis.	Yes	The legislation requires distribution of a Responsible Consumption Fact Sheet at the point of sale, the content of which will be created by DPH. Moreover, the Office of Cannabis is working with SF Travel and the Chamber to develop information for tourism/hospitality to remain educated on the status of adult-use cannabis as well as responsible consumption, etc.
	27	the hospitality and tourism industry to develop pathways for lodging establishments to become “cannabis-friendly,” thereby providing a legal consumption space for tourists without access to a private residence.	No	This legislation does not create a pathway for the Department of Public Health to permit consumption in any space other than cannabis retail.
	28	There is a notable desire within the culinary community to incorporate adult use cannabis in dining options/opportunities, including the use of cannabis as a meal ingredient and the establishment of food/cannabis pairing options. San Francisco should collaborate with key stakeholders, such as culinary and hospitality organizations, to develop strategies for increasing these opportunities for restaurants and other food establishments. Strategies could include:		
		a) Developing, proposing and pursuing a state legislative approach that would create an exemption for these types of culinary experiences.	NL	Noted, and will review with the Mayor's Office to inform the City's 2018 state legislative agenda.
		b) Development of a patron notification process for any food establishment offering these opportunities	NL	
		c) Development of mechanisms to determine the appropriate distribution of cannabis-friendly dining venues throughout the City.	NL	
Tourist and Resident Experiences		San Francisco should collaborate with key stakeholders, such as the Department of Public Health and tourism/hospitality organizations, to develop educational materials for tourists and residents that:		

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29	a) promote safe cannabis consumption	Yes	The legislation requires distribution of a Fact Sheet related to safe consumption by retailers at the point of sale, the content of which will be created by DPH. DPH is also in the process of developing and implementing a public awareness campaign. The Office of Cannabis is also working with SF Travel and the Chamber to develop information for tourism/hospitality entities to remain educated on the status of adult-use cannabis as well as responsible consumption, etc.
	b) provide information on different product types and their physiological effects, and	Yes	The legislation requires distribution of a Fact Sheet related to safe consumption by retailers at the point of sale, the content of which will be created by DPH. DPH is also in the process of developing and implementing a public awareness campaign. The Office of Cannabis is also working with SF Travel and the Chamber to develop information for tourism/hospitality entities to remain educated on the status of adult-use cannabis as well as responsible consumption, etc.
	c) outline strategies to identify and manage overconsumption.	Yes	The legislation requires distribution of a Fact Sheet related to safe consumption by retailers at the point of sale, the content of which will be created by DPH. DPH is also in the process of developing and implementing a public awareness campaign. The Office of Cannabis is also working with SF Travel and the Chamber to develop information for tourism/hospitality entities to remain educated on the status of adult-use cannabis as well as responsible consumption, etc.
	The educational materials should be made available in various languages and formats (e.g. websites, brochures, signage, mobile applications, etc.), and distributed where adult use cannabis is allowed to be consumed and/or purchased, such as cannabis retail locations.	Yes	While DPH is providing the content for the required Responsible Consumption Fact Sheet, the City can translate this and can have it available in multiple languages for distribution at the point of sale and on the Office of Cannabis website. A general FAQ sheet will also be translated into all languages mandated through the Language Access Ordinance.
30	San Francisco, in collaboration with key City Agencies and stakeholders, should develop educational materials and trainings for cannabis retail licensees, their employees, and cannabis business license applicants on serving cannabis and cannabis products safely, responsibly, and legally. The Licensee Education on Alcohol and Drugs (LEAD) Program could serve as a model for this.	Yes	While LEAD is a good model to provide baseline education for employees regarding the laws and regulations they are required to be aware of and to follow, the City is not aware of existing education related to retail cannabis service. The Office of Cannabis would be happy to partner with city agencies and other stakeholders to identify models and to ultimately ensure appropriate training occurs so that employers and employees understand best practices related to responsible service of cannabis and cannabis products.

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Recommendation Category 2: Land Use and Social Justice (LUSJ)				
Recommendation Sub-Category: Land Use				
Non-Retail Uses	1	San Francisco should allow non-retail adult use cannabis uses (i.e. cultivation, manufacturing, distribution) and utilize the existing Planning Code framework to establish land use controls for those uses.	Yes	The legislation contemplates non-retail permits for cultivation, manufacturing, testing and distribution and incorporates analogous land use controls for these activities.
	2	The existing Planning Code framework already addresses distance to sensitive uses for non-retail businesses. Consistent with current regulations for non-retail medical cannabis uses, non- retail adult use cannabis uses should therefore be exempt from distance requirements for sensitive uses (e.g. schools, youth centers, etc.).	Yes	The legislation does not apply sensitive use controls to all self-contained/totally enclosed permit types: cultivation, manufacturing, testing, distribution and nonstorefront retail.
Retail Uses	3	San Francisco should develop meaningful qualitative findings for the Planning Commission and/or other commission(s) to use when reviewing adult use retail applications.	Yes	Specifically, the following text is included: "With respect to any application for the establishment of a new Cannabis Retail Use, in addition to the criteria set forth in subsections (c) and (d) above, the Commission shall consider the geographic distribution of Cannabis Retail Uses throughout the City, the balance of other goods and services available within the general proximity of the proposed Cannabis Retail Use, any increase in youth access and exposure to cannabis at nearby facilities that primarily serve youth, and any proposed measures to counterbalance any such increase."
	4	San Francisco should reduce the distance new cannabis retailers can operate in proximity to sensitive uses to one that is less than the State- required 600 feet.	Partial	The required minimum distance would be 600', which is 400' less than presently required for MCDs. The ordinance reduces proximity to some sensitive uses.
		San Francisco should also measure this distance with a "path of travel" approach rather than a straight line, parcel to parcel measurement.	No	Straight-line measurement would continue to be used; other methodologies are far too ambiguous and would present uncertainty and controversy for cannabis retailers and neighbors alike.
		San Francisco should develop reasonable quantitative standards to regulate the location of, and permitting process for, adult use retail locations in San Francisco. These standards should include, but are not limited to:		

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5	a) Strategies to facilitate meetings between the applicant and neighboring community prior to the Planning Commission hearing and/or application process to address neighborhood concerns	Yes	The existing Pre-Application Requirements would apply to all MCDs in NC Districts
	b) Strategies to prevent clustering (as discussed below)	Yes	A 300' clustering requirement would be created
	c) Considerations for proximity to sensitive uses (as discussed below)	Yes	A clear 600' minimum requirement only from schools would be established
6	San Francisco should further define and/or refine definitions of "sensitive uses" and expand locations in which new cannabis retailers could operate, where appropriate.	Yes	As above, sensitive uses would be refined to only include schools and the present 1,000' minimum separation would be reduced to 600', thereby allowing a greater range of geography in which cannabis businesses could seek permission to operate.
7	San Francisco should consider varying approval processes (e.g. neighborhood notice only; notice plus mandatory Discretionary Review hearing; notice plus Conditional Use Authorization; etc.) for different zoning districts, with more rigorous review processes in Neighborhood Commercial Districts or other locations which present potential land use conflicts and less rigorous processes in other districts, such as Downtown or industrial districts.	Yes	NC Districts would generally require CU; Mixed-Use Districts would generally require neighborhood notice; Downtown Districts would generally be as-of-right.
8	San Francisco should develop policies to prevent clustering of adult use cannabis retailers. Strategies may include:		
	a) Use of "buffer zones" around other adult use retail locations. The distance of these buffer zones should balance both community concerns and business interests, with the aim of preventing too high a concentration of retail locations in a given district while also encouraging healthy competition.	Yes	A cannabis businesses could not locate within 300' of another such business.
	b) Stricter clustering provisions in Neighborhood Commercial Districts to balance neighborhood concerns, and less strict clustering requirements in other districts, such as Downtown or Industrial districts.	Partial	While the minimum clustering distance is the same throughout the City, CU criteria applicable in NC districts require that the Commission consider additional adjacencies and other factors such that a higher level of scrutiny would apply.

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	9	San Francisco should include adult use cannabis retail businesses in existing Formula Retail rules. Note: Formula retail rules state that if an establishment has eleven or more retail locations worldwide, it is subject to a more stringent review and authorization process.	Yes	In the proposed ordinance, Cannabis Retail and MCDs are subject to Formula Retail controls.
	10	San Francisco should allow retail locations in areas other than the ground floor, such as spaces located at basement level, second floor or higher.	Yes	In areas with floor-by-floor zoning controls, cannabis businesses would be allowed on the basement, ground, and 2nd levels. In other areas where allowed, cannabis businesses would be allowed on all levels.
	11	San Francisco should develop a mechanism to prioritize the re-permitting of medical cannabis business operators who were shut down by the federal government or lost their original permit due to sale of building and loss of lease.	Yes	The proposed legislation prioritizes applications from operators who were in good standing with the City but were forced to close due to federal intervention/enforcement.
	12	San Francisco should align regulations for adult use cannabis retail signage on store fronts with regulations for other retail businesses.	Yes	Specific cannabis retail signage provisions are not proposed in the Planning Code changes.
MCD and Adult Use Retail Zoning Approval Processes	13	Medical cannabis dispensaries have more stringent ADA requirements to increase access for patients, which may not be necessary for adult use retailers. Therefore, adult use cannabis retailers, as distinct from medical use cannabis retailers, should not be subject to the heightened ADA requirements that currently apply to MCDs.	Partial	Retailers would be required to retain medical as a use, therefore, their ADA requirements remain just as stringent as those of MCDs.
	14	San Francisco should craft a reasonable process for current medical cannabis dispensaries to transition into the adult use market. A “transition” would include a medical dispensary adding adult use products or a medical dispensary switching to an adult use business model. Such “grandfathered” medical cannabis businesses should be exempt from any new, more restrictive land use provisions that may be applicable to adult use retail businesses.	Yes	The proposed land use controls do provide a way for existing MCD to convert to CRs. The provision exempts existing MCDs from more restrictive clustering provisions, and exempts them from obtaining Conditional Use Authorization.
Recommendation Sub-Category: Social Justice/Workforce Development				

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Successful Workforce	15	San Francisco should collaborate with San Francisco City College, San Francisco Unified School District, and other workforce development organizations and key stakeholders, to develop new or build upon existing training and apprenticeship programs as workforce pathways for individuals to participate in all aspects of the cannabis industry (i.e. cultivation, laboratory testing, manufacturing, retail, etc.). These programs should increase opportunities for individuals to enter the cannabis industry, but also be part of a broader workforce strategy to increase job opportunities in	NL	San Francisco Workforce does this for other sectors and will lead initiatives to incorporate cannabis occupations into this approach. Once certification and licensing standards for employees are established, workforce will work to prepare people towards achieving industry-recognized credentials.
	16	San Francisco should ensure that those with a criminal justice history are not automatically barred from job opportunities within the cannabis industry, and that license holders are incentivized to hire people with a criminal justice history to the extent possible.	Yes	The legislation does not contemplate stricter eligibility requirements than the state, notably around conviction history review. The legislation directs the Office of Cannabis to make every effort to coordinate conviction history review with the state so both local and state eligibility is defined at the beginning of the permitting process. Also, by implementing First Source standards, businesses will have direct access to a pipeline of qualified but oftentimes disadvantaged candidates that include people whom have interacted with the criminal justice system.
	17	San Francisco should create incentives (rather than mandates) for cannabis businesses to hire local residents and individuals from communities affected by mass incarceration. The City should also create hiring preference policies for residents who have moved out of the City due to the high cost of living.	Yes	The legislation contemplates requiring participation in the First Source Hiring Program for all permanent permit holders, meaning businesses would post any new entry-level positions with San Francisco's workforce system before posting those positions publicly (i.e. their website, linked in, craigslist, monster, etc.). As a good faith effort (as opposed to a mandate) First Source ensures that participating businesses consider qualified San Francisco residents whom have sought out workforce services before they begin recruiting for candidates through more traditional hiring practices that may lead to under representation by low-income or disadvantaged San Franciscans. First source has proven to be a valuable tool for local businesses in gaining access to a screened pool of qualified candidates for entry-level positions.
	18	San Francisco should lower financial barriers to enter the cannabis industry by collaborating with workforce development organizations to provide high quality, free or low-cost cannabis workforce trainings, which should include both online and in-person modalities.	Yes	As mentioned earlier, San Francisco Workforce does do this for other sectors and will incorporate cannabis occupations into this approach.

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19	The cannabis industry is a dynamic field, and as such, San Francisco should collaborate with workforce development organizations to provide continuing education to maintain a well-trained, competent workforce and assure patient/consumer safety as new technologies and products emerge.	Yes	As mentioned earlier, San Francisco Workforce does do this for other sectors and will incorporate cannabis occupations into this approach.
20	San Francisco should create job opportunities and mechanisms to educate, train, and hire formerly incarcerated persons, transitional age youth (age 18-21), and young adults (age 21-26). The City's current process for hiring formerly incarcerated persons could serve as a model.	Partial	While persons under the age of 21 are not eligible to be employed by a commercial cannabis businesses, the San Francisco workforce system includes a Provider exclusively dedicated to formerly incarcerated participants and their unique hiring needs. In addition both our Adult and Young Adult programs see a disproportionate number of participants with criminal backgrounds. These tend to be the people that access workforce services because of the level of difficulty they face when trying to find employment. The workforce system is designed to offer education and training pathways for its participants to qualify for demand occupations. First Source is a proven model for increasing access to job opportunities by participants in the workforce system
21	San Francisco should work with key stakeholders to develop mechanisms to publicize job opportunities and draw diverse candidates to the cannabis workforce, such as job fairs, public education campaigns, or other pipelines.	NL	TThe workforce system hosts job fairs regularly and can easily incorporate cannabis employers and opportunities. OEWD's business services team can support communications strategies to increase awareness of the opportunities the industry creates.
22	San Francisco should ensure that existing workforce policies and protections for wage and benefit rights are extended to the cannabis industry workforce, such as connecting worker rights protections to the permitting process.	Yes	Operators will be required to comply with all local and state safety, wage and labor ordinances. Revisions to the legislation will contemplate including a detailed description of how the applicant will meet all state and local laws related to worker rights and protections.
23	Post-legalization, there will be a need for lab technicians with the capacity for testing cannabis products, and San Francisco should invest in this capability.	NL	This could likely align with the City's existing health care sector trainings. Once certification and licensing standards for employees are established, workforce will work to prepare people towards achieving industry-recognized credentials.

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Entrepreneurs hip Opportunities		San Francisco should engage workforce development organizations, community-based organizations, community members, and other key stakeholders to develop strategies to reduce economic barriers for people of color, women, and formerly incarcerated persons to enter the cannabis industry as entrepreneurs. Strategies could include:		<p>The legislation pending before the Board of Supervisors proposes that no applications for permanent commercial cannabis activity be made available until an Equity Program has been established. This program is intended to encourage a more equitable and inclusive local industry; and it will be developed and informed by an Equity Access Report due to the Board of Supervisors and the Mayor by November 1, 2017.</p> <p>The Office of Cannabis is working on the Equity Report with the Human Rights Commission and the Controller’s Office. The report will present available data on disparities in the cannabis industry based on race, income, economic status, gender, disability, sexual orientation, gender identity, and HIV/AIDS status. It will also include recommendations regarding policy options that could (A) foster equitable access to participation in the industry, including promotion of ownership and stable employment opportunities in the industry (B) invest City tax revenues in economic infrastructure for communities that have historically been disenfranchised, (C) mitigate the adverse effects of drug enforcement policies that have disproportionately impacted those communities , and (D) prioritize individuals who have been previously arrested or convicted for marijuana-related offenses.</p>
	24	a) Consider a prioritized permitting process to help operators reduce initial start-up costs (e.g. subsidized rent while undergoing permitting process)	Partial	The legislation does not currently contemplate reallocation of existing funding for the purpose of subsidizing rent. However, the legislation contemplates giving priority processing to Equity Applicants, a category to be defined by the City this fall. Additional policies to support equity operators will be further defined during the development of the proposed Equity Program.
		b) Creation of grants or other funding opportunities to assist people of color, women, and formerly incarcerated persons in achieving business ownership	No	This legislation does not currently contemplate the reallocation of existing funding to assist people of color, women, and formerly incarcerated persons from achieving ownership, however, this will be one area the City will seek to address through the creation of an Equity Program this fall.
		c) Equity licensing	Yes	This legislation contemplates only allowing eligible candidates access to applications for a permanent permit to operate once an Equity Program is established. At the time applications are opened, it is proposed that equity applicants receive priority review for permit processing.

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		d) Subsidized permitting and licensing fees	Partial	The Equity Program contemplated includes priority permit processing and technical assistance to applicants who meet Equity Criteria. Subsidized permitting and licensing fees will be contemplated during the development of the Equity Program and may be reviewed when the permit and license fee legislation is before the Board of Supervisors this fall.
		e) Use of existing small business support structures and programs as models, such as the Mission Economic Development Agency (MEDA), Minority-owned Business Enterprise (MBE), Women-owned Business Enterprise (WBE) programs, and others.	NL	The Office of Economic and Workforce Development will do a survey of all of small business support structures and programs, and this survey should be able to identify which programs cannabis businesses are eligible for today and where there may be any missing pieces. OEWD can then work with the City and State to identify potential funding sources for additional programming that may be needed.
	25	Due to federal cannabis prohibition, cannabis business owners cannot easily access banking services, and therefore, must operate on a largely cash-only basis. Thus, business ownership is limited to entrepreneurs with access to capital. San Francisco should therefore advocate for a change in federal prohibition policy and explore opportunities to use City funding and/or local credit unions to provide banking	NL	While the federal priorities for the Office of Cannabis will reflect advocacy around changes to federal prohibition to align with state and local law, this legislation does specifically speak to policies related to allowing for city funding for banking services.
Proposition 64 Community Reinvestment Grants	26	San Francisco should apply for Proposition 64 Community Reinvestment Grants and collaborate with key stakeholders to allocate funding to programs that benefit the communities targeted by the Proposition 64 grant funding. Program priority areas could include: <ul style="list-style-type: none"> • the educational system • childcare subsidies • services for formerly incarcerated persons and other communities affected by cannabis prohibition • housing • job creation • behavioral health services • criminal record expungement 	NL	The City has engaged with the State on all funding opportunities and will continue to proactively advocate for funding formula and compete for allocations that benefit San Francisco programs and communities.

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	27	San Francisco should encourage cannabis businesses to invest in community benefit agreements that allocate resources to community.	Yes	The legislation proposes requiring a community benefits agreement from all commercial cannabis businesses, which at a minimum requires participation in the City's First Source Program. The legislation also proposes prioritizing permit processing based on the following: (1) Applications from Equity Applicants; (2) Applications that, if awarded a permit, would contribute to the continued access to Medicinal Cannabis for individuals who qualify to use Medicinal Cannabis under California Health & Safety Code Section 11362.5; (3) Applications from Applicants that were operating a Medical Cannabis Dispensary in compliance with the Compassionate Use Act prior to September 1, 2016; (4) Applications that demonstrate a commitment on the part of the Applicant to provide benefits to the surrounding community, including but not limited to workforce opportunities and community benefits contributions; and (5) Applications that, if awarded a permit, would provide for the continued employment of persons in the Cannabis industry.
Social Justice	28	San Francisco should include cultural competency trainings as part of the cannabis workforce development strategy.	NL	While the overall workforce strategy is not legislated through these ordinances, the City can review ways to provide appropriate trainings to employees. The Office of Cannabis seeks to better understand if there is/are a specific cultural need(s) that the Task Force seeks to address through this recommendation.
	29	San Francisco should develop pathways, such as an amnesty program, to encourage existing businesses to transition from the illicit to legal market.	Yes	The City is facilitating a registration process for existing medicinal cannabis businesses not currently permitted under Article 33 of the Health Code. This registration process allows San Francisco cannabis businesses to provide the City with information including: Business Registration Certificate, proof to occupy, location, verifiable date of operation, etc. IF businesses have this information and they are conforming to the Planning Code, the business will be subject to an inspection. If the business passes the inspection and provides the City with all necessary information, the business will be eligible for a temporary permit to operate their medical cannabis business. This temporary permit will authorize them to seek a temporary license from the state beginning Jan 1. 2018.

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#	Recommendation	Included	Rationale
30	San Francisco and the San Francisco Police Department should collaborate with community policing and diversion programs to educate businesses on the transition from the illicit to legal market.	NL	
31	The San Francisco District Attorney and Public Defenders Offices should work to streamline the record expungement and resentencing process for individuals with eligible previous convictions as outlined in the Proposition 64.	NL	

Recommendation Category 3: Regulation and City Agency Framework (RCAF)

Recommendation Sub-Category: Licensing

Licensing - Local Industry Licenses	1	San Francisco should develop a local adult use cannabis licensing system that aligns and builds upon the State license types and structure.	Partial	While the proposed legislation offers many types of permits, it does not allow for all activities allowed by the state such as nurseries and outdoor agriculture. All local applicants, except retail applicants, are not required to apply for an "M-Type" or and "A-Type" permit (although they will be required by the state)
	2	San Francisco should consider creation of new license types, in addition to the State-defined license types, to accommodate the diverse businesses within the adult use cannabis industry in the City. Any newly created local license types should be shared with the State and may include the following: <ul style="list-style-type: none"> • New category: Manufacturing 6B Special baking/cooking license • New category: Consumption lounge • New category: Events (e.g. commercial events and farmers' markets, etc.) <p>The City should also explore the possibility for one-day event permits.</p>	No	The legislation only contemplates permit types that align with existing state license types established by MAUCRSA at this time. Manufacturing is allowed, and consumption will be allowed at retail locations, under certain conditions. Special event permits are not contemplated in this legislation.
	3	San Francisco should support opportunities for existing businesses to participate in the cannabis industry by allowing for dual (i.e. the ability to sell both non-cannabis & cannabis products) licensing opportunities.	Yes	The legislation allows cultivators, manufacturers and distributors the opportunity to conduct medicinal and adult use related activities on their premises. The legislation requires retailers to either conduct only medical, or adult-use and medical activities on their premises. No solely adult-use retail activity is permitted under the proposed legislation.

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	#	Recommendation	Included	Rationale
	4	In order to provide a consumption space, San Francisco should consider waiving licensing requirements for smoking tents at special events where there is no cannabis distribution.	No	Similar to DPH's approach to onsite consumption at retail locations, San Francisco has been a leader in ensuring that everyone has the right to clean air and is not exposed to second hand smoke. Because the City is committed to maintaining its progressive clean air laws, this legislation does not contemplate permitting smoking tents at special events.
	5	Proposition 64 includes a Type 7 = Manufacture 2 license for sites that manufacture cannabis products using volatile solvents. In planning for these uses, San Francisco should use the Planning Department's zoning map for volatile manufacturing and only issue Type 7 = Manufacturer 2 licenses in these permitted areas.	Yes	This legislation proposes zoning volatile solvent manufacturing only in locations where such activity would be allowed in an analogous use, such as in PDR-1-G, PBR-1-D, and PDR-2.
Licensing - Local Workforce Licensing	6	<p>San Francisco should consider workforce licensing requirements that create uniform standards across businesses. The City should work with relevant stakeholders to identify appropriate training requirements that achieve a balance between creating minimum standards that do not also create a barrier to entering the industry. The City should consider various job training formats (e.g. on-the-job training, apprenticeship certification, continuing education, shadow programs at dispensaries, etc.) and leverage existing programs to develop and implement adult use cannabis workforce education and training. The following entities could be involved in this effort:</p> <ul style="list-style-type: none"> • Office of Small Business • City College of San Francisco and other community colleges • San Francisco Unified School District • Charter or private schools • Unions • Oaksterdam University • Patient Focused Certification Program – Americans for Safe Access 	NL	<p>Professional licenses are generally implemented at the state level, and because this is statewide activity, the City believes this should remain a state responsibility. With that said, the creation of standardized licensing requirements for workforce would allow individuals to train for clearly identified skills that meet the needs of the employer making them more successful at gaining employment. It is important that these standards be universal across geographies, ensuring that the worker has a broad market place for their skills and allowing them to find the best fit for themselves. The Office of Economic and Workforce Development and their workforce providers ensure that all trainings they provide give participants the skills they need for licensure (for example guard cards for security guards).</p> <p>The Office of Economic and Workforce Development as well as the Office of Cannabis can plan to participate in discussions for license establishment at the state level to ensure that such standards meet the needs of both our workforce and businesses. The City can then implement such standards within OEWD/partner trainings to ensure that the workforce participants are able to get the licenses needed to move into the workforce.</p>

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	#	Recommendation	Included	Rationale
Licensing - Non-Profit Licenses	7	San Francisco should encourage the non-profit model and make non-profit licenses available for cannabis organizations that provide compassion programs and supportive services.	Partial	While the City is not creating non-profit specific permits for 2018 (as defined by MAUCRSA) the City is contemplating an allowance for compassion programs, with certain restrictions, so that low income patients are able to continue to access medical cannabis at reduced cost. A report to that effect will be released by the Office of Cannabis in consultation with the Department of Public Health, and Controller's Office on November 1, 2017.
Deliveries	8	San Francisco should consider a local license that would allow for adult use mobile delivery/retail services without the brick and mortar retail requirement. Adult use cannabis retailers that possess a delivery-only license should have a hub, or centralized location, to process orders. In-home cannabis businesses could have impacts on residential neighborhoods, so these hubs should be in non-residential or live/work commercial zoning locations.	Yes	The legislation proposes permits for nonstorefront retail delivery. Zoning for this activity will mirror zoning requirements for distribution activity.
	9	Delivery drivers will need proof of authority to fill delivery orders. The driver should possess an order manifest that includes patient name, order date, delivery date, business name, items ordered, and order time. However, delivery address should not be included, as inclusion of this information may pose a safety risk to consumers.	Partial	Delivery drivers will be required to carry a manifest for each order. It is contemplated that the manifest will include: 1) Permit name and number, 2) Name of purchaser and date of birth, 3) date and time order was placed, 4) a description of the product ordered and amount, and 5) delivery address. These requirements have been contemplated in order to meet state regulations related to delivery. To-date, MAUCRSA requires delivery personnel to carry a physical copy of the delivery request requires the delivery personnel to make it available upon request of the licensing authority and law enforcement officers, however, the City expects that mandatory manifest information will be further clarified in the State's emergency regulations. To discourage "mobile delivery" the City is requiring each order have a specific destination prior to departure from the nonstorefront retail delivery location.
	10	San Francisco should allow permitted medical cannabis dispensaries that currently operate delivery services to continue to provide deliveries.	Yes	The legislation proposes requiring all retail permit holders to meet certain application requirements and operating standards to be eligible to deliver. If the retailer meets these requirements they may continue to deliver cannabis.
	11	Delivery drivers should receive appropriate training to minimize potential safety risks.	Yes	The legislation proposes requiring all retail permit holders to seek authorization to deliver, and as a part of their applications, retail/delivery will be required to sign a statement affirming that they will provide training to all employees concerning the laws governing sales and delivery, and to attend that the operator will take steps to ensure the personal safety of their employees.

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	#	Recommendation	Included	Rationale
MCDs and Adult Use Market Participation	12	San Francisco should allow cannabis retailers to participate in both the medical cannabis and adult use cannabis markets.	Yes	The legislation proposes requiring all retailers to maintain their medical use while allowing them to add adult use to their location.
	13	The licensing process for medical cannabis dispensaries should not be more restrictive than that for adult use retail licensees.	Yes	As proposed, MCDs would be permitted as of right in all commercial zoning districts, but require a Mandatory DR or CU, depending on the district, in Neighborhood Commercial Districts.
	14	San Francisco should consider creating a licensing priority for current medical cannabis dispensary operators in operation as of, or prior to, September 1, 2016, to apply for adult use cannabis licenses. This aligns with Proposition 64's existing licensing priority provision.	Yes	The legislation states: In reviewing applications for Cannabis Business permits, the Director shall give priority to: (1) Applications from Equity Applicants; (2) Applications from Applicants that were operating a Medical Cannabis Dispensary in compliance with the Compassionate Use Act prior to September 1, 2016; (3) Applications that demonstrate a commitment on the part of the Applicant to provide benefits to the surrounding community, including but not limited to workforce opportunities and community benefits contributions; and (4) Applications submitted by all other Applicants.
Recommendation Sub-Category: Taxation and Revenue				
Taxation	15	Proposition 64 establishes State adult use cannabis taxes. To complement the State's taxation system, San Francisco should consider establishing local cannabis taxes to generate revenue that may be allocated to local cannabis legalization priorities not already funded through state taxes or other funding mechanisms.	NL	The Mayor issued Executive Directive 16-05 on November 9, 2016, that directed his Budget Director to consult with the Controller, Treasurer and Tax Collector, and other stakeholders to propose taxation and permitting fees related to the production and distribution of cannabis products. He also asked staff to consult with other American jurisdictions that allow for non-medical cannabis use to survey their taxation and fee methods, to incorporate lessons learned. This cannabis tax working group will make recommendations for a local ballot measure to tax commercial cannabis activity. These conversations have just begun.
	16	If San Francisco decides to implement local adult use cannabis taxes, the City should consider up to a 1% excise tax or gross receipt tax. The State will impose a 15% excise tax on adult use cannabis. Therefore, the local excise tax should not exceed 1%, to prevent consumers from purchasing from the illicit market due to taxes that are perceived to be too high.	NL	While a specific percentage has not been settled on, the City seeks to ensure a rate that does not shift businesses and consumers back to the illicit market

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	#	Recommendation	Included	Rationale
	17	Given that the cannabis industry currently operates primarily on a cash-only basis, San Francisco's Office of the Treasurer should create a mechanism to collect local adult use cannabis taxes.	NL	The Office of the Treasurer and Tax Collector is experienced in receiving and handling cash.
Revenue Allocation Priorities	18	San Francisco should consider allocating some potential State and local adult use cannabis tax revenue towards the City's local regulatory, policy, and programmatic goals with respect to cannabis legalization. Allocation priorities include, but are not limited to: <ul style="list-style-type: none"> • Workforce development • Entrepreneurial opportunity fund • Education for students and youth • Education and training for formerly incarcerated persons • Community-identified priorities (e.g. community benefit agreements) 	NL	While not legislated, the Equity Report requested by the Board of Supervisors will contain some recommendations related to the possible investment of City tax revenues in economic infrastructure for communities that have historically been disenfranchised. The Office of Cannabis, Human Rights Commission and Controller will contemplate this recommendation when drafting the report and requisite recommendations.
Data Collection	19	San Francisco should use an evidence-based approach to inform future adult use cannabis policies and legislation. The City should engage key stakeholders to identify and collect appropriate data points to assess the impact of cannabis legalization.	NL	Data collection is not currently contemplated in this legislation, however, the Office of Cannabis is working to define methods of data collection and scope, and will incorporate this collection plan into their 2018 work plan. The Office will seek to use data to inform future policy recommendations for the Mayor and Board of Supervisors.
Recommendation Sub-Category: Agency Oversight				
Local Regulatory and Regulatory Oversight Structure	20	In developing an appropriate local regulatory and regulatory oversight structure for adult use cannabis, San Francisco should consider the following characteristics to ensure success for the entities responsible for regulation: <ul style="list-style-type: none"> • Responsive • Timely • Accountable • Strong leadership • Transparent • Promote certainty in process • Multi-agency collaborative model 	Yes	The role of the Office of Cannabis is to implement the regulatory and permitting policies crafted by the Mayor and Board of Supervisors, and to track and analyze data to inform future policymaking related to cannabis activity. This legislation provides a transparent structure that allows for appeals of Director decisions to a third party hearing officer and then to the Board of Appeals for instances such permit issuance, suspension and revocation of permits.

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	#	Recommendation	Included	Rationale
	21	<p>San Francisco should consider new and/or existing regulatory and regulatory oversight structures for adult use cannabis regulation. Options would include the following:</p> <ul style="list-style-type: none"> • Option 1: Standalone agency with its own staff and commission • Option 2: Standalone agency with its own staff, no commission • Option 3: Part of an existing agency or agencies <p>Note: Task Force further developed this recommendation in Year II - please see "Other" tab for more information.</p>	NL	In the summer of 2017, the Board of Supervisors and the Mayor established an Office of Cannabis (OOC) under the direction of the City Administrator. This office is authorized to have three positions including the Director.
Local Agency Collaboration	22	<p>San Francisco should anticipate that numerous City agencies will have a role in adult use cannabis regulation. City agencies that may play a role in adult use cannabis regulation include, but are not limited to the: Department of Public Health, Police Department, Planning Department, Fire Department, Tax Collector's Office, Department of Building Inspection, San Francisco Municipal Transportation Authority, and Department of Public Works. The cannabis regulatory role of each agency should be distinct and not overlap.</p>	Yes	In the legislation, these departments are called "referring departments" and each department maintains existing permitting and inspecting responsibilities (except for the proposed sunseting of DPH's final permitting role under Article 33)
Track and Trace	23	<p>Proposition 64 establishes a State-level track and trace monitoring system to track cannabis from seed to sale. This State system is sufficient for local cannabis tracking within San Francisco.</p>	Yes	Each operator will be required to comply with track and trace. The City has engaged the CDFA in their development of the system to request participation in the user outreach and development. The goal is to make this a useful tool for not just the state, but also appropriate agencies in San Francisco.

Year II Recommendations

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#	Recommendation	Include	Rationale
Year II Recommendations: Non-Retail Licensing			
Recommendation Sub-Category: Technical			
Non-Retail Licensing Elements - General	1	San Francisco should make local permits for non-retail businesses available for all MCRSA and AUMA license categories and microbusinesses. San Francisco should not license large cultivation through State permit 3 or permit 5.	San Francisco is proposing to make indoor cultivation permits available for operations with up to 22,000 square feet of canopy. The legislator also proposes to allow for volatile and non-volatile manufacturing, distribution, microbusiness, and testing. The legislation does not propose a nursery permit due to the little information provided by the state related to this activity, however, it may contemplate this permit in the future, and after the state issues emergency regulations associated with this business activity.
	2	<p>In addition to the State-defined license types, the following local license types should be created:</p> <ul style="list-style-type: none"> • New category: Virtual dispensary (i.e. physical location used for delivery with no walk-in retail) • New category: Manufacturing 6B Special baking/cooking license • New category: Consumption lounge, bring your own product (entertainment, restaurants, yoga studio, gym) • New Category: Temporary Events, Cannabis Cup/Cultural Events, and Farmers Market examples <p>The above licenses would not include retail activity, except in the case of microbusinesses.</p> <p>*Note: Manufacturing 6B, consumption lounge and events with retail activity to be addressed later under retail licensing topic area.</p>	<p>While the legislation contemplates nonstorefront retail delivery and manufacturing permits, it does not contemplate a stand-alone baking permit, nor does it contemplate permits for standalone consumption lounges and special events. Much of this has to do with concerns related to environmental health, as well as state restrictions on where cannabis may be consumed.</p>

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	Consumption lounges and temporary events should be allowed in San Francisco. The City should look into whether a license is necessary in these cases.	Partial	The proposed legislation does not allow for temporary events. It does allow for consumption spaces/lounges at permitted cannabis retail locations.
3	San Francisco should issue standalone permits for non-retail businesses; meaning no previous affiliation with medical cannabis dispensaries would be required as part of the licensing process.	Yes	We are not requiring proof of being affiliated with an existing MCD as an eligibility requirement for non-retail and delivery permit applicants.
4	The non-retail permitting process in San Francisco should be streamlined and efficient.	Yes	The Office of Cannabis is partnering with the California College of the Arts DBMA students as well as alumni to process mapping the existing application process with an eye towards streamlining and for the development of the final application system.
5	In the non-retail permitting process, existing permit holders in good standing or those who have been displaced as a result of federal intervention should receive priority processing and licensing status in the City and County of San Francisco. This recommendation should not conflict with Social Justice prioritized permitting processing recommendations.	Yes	The legislation contemplates giving retailers who were operating in good standing post 1996 and were forced to close due to federal intervention access to applications in phase I/2018.
6	San Francisco should respond to all State inquiries regarding local permits in a timely manner.	NL	While not legislated, the Office of Cannabis intends to work closely with our state counterparts on all processes related to local permit and state licensing approvals, including criminal history and over concentration review.
7	Security and Federal Government: Local Licensing agencies should do everything within their legal power to prevent disclosure of sensitive business and personal information to federal agencies. To reduce the risk of theft, local licensing agencies should keep non-retail facility physical addresses discreet, with mailing addresses as an appropriate way of providing information.	NL	The City intends to protect information related to operations of San Francisco based operators in good standing from federal enforcement to the extent allowed by law.

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	#	Recommendation	Include	Rationale
Non-Retail Licensing Elements - Licensing Requirements	8	Existing local and State laws and regulations cover many of the desired requirements for non-retail cannabis businesses. As such, the requirements for non-retail licensing should align with these local and State laws and regulations, including: <ul style="list-style-type: none"> • Board of Equalization (BOE) Sellers permit requirements • Articles of Incorporation • Labor laws • Occupational Safety and Health Administration (OSHA) standards 	Yes	Local operating standards for all cannabis businesses, including non-retail, will require applicants to share with the City all information they share with the state for a state license. The Office of Cannabis will also use the operating standards defined by the state through emergency regulation as the City's baseline operating standards.
	9	Non-retail license applicants should be required to provide the following supporting documentation to the City of San Francisco, as part of the licensing process, depending on the nature of the of the activity: <ul style="list-style-type: none"> • Hazardous materials and waste storage plan • State nursery program inspection • Building inspections from the Department of Building Inspection (DBI) • Fire Department documentation • Documentation of alignment with Agricultural Department best practices • Security plans 	Yes	All of these recommendations are encompassed in the proposed application requirements except the "State nursery inspection program" suggestion. The legislation does not propose a nursery permit.
	10	An annual inspection and a review of documents by a licensing agent should be required for non-retail license renewal. The inspection and document review should ensure compliance with State and local regulations and good standing with the Board of Equalization (BOE).	Yes	Operators will be required to have an annual inspection, and they will also be required to update all information on file in their application prior to renewing the permit to operate.
	11	San Francisco should issue local non-retail licenses to the operator, and take steps to ensure that licenses are portable.	Partial	Permits will be issued to the permittee. Permits for cannabis activity are tied to a permittee, location, and ownership structure (to an extent).

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	#	Recommendation	Include	Rationale
Dual Medical and Adult Cannabis Licensing	12	San Francisco should not make a distinction between medical and adult use permitting for non-retail businesses.	Yes	For all non-retail permits, we did not include a distinction for adult-use vs. medical use.
Personal Cultivation	13	Personal, noncommercial cultivation should not require a license in San Francisco.	Yes	These ordinances do not create personal cultivation permits.
Recommendation Sub-Category: Social Justice				
Strategies	14	San Francisco should engage community members in the target populations (people of color, women, transitional-age youth ages 21-24, and formerly incarcerated persons), workforce development organizations, community-based organizations, and other key stakeholders to develop strategies to reduce economic barriers to enter the cannabis industry as workforce or entrepreneurs.	Yes	<p>applications for permanent commercial cannabis activity be made available until an Equity Program has been established. This program is intended to encourage a more equitable and inclusive local industry; and it will be developed and informed by an Equity Access Report due to the Board of Supervisors and the Mayor by November 1, 2017.</p> <p>The Office of Cannabis is working on the Equity Report with the Human Rights Commission and the Controller's Office. The report will present available data on disparities in the cannabis industry based on race, income, economic status, gender, disability, sexual orientation, gender identity, and HIV/AIDS status. It will also include recommendations regarding policy options that could (A) foster equitable access to participation in the industry, including promotion of ownership and stable employment opportunities in the industry (B) invest City tax revenues in economic infrastructure for communities that have historically been disenfranchised, (C) mitigate the adverse effects of drug enforcement policies that have disproportionately impacted those communities , and (D) prioritize individuals who have been previously arrested or convicted for marijuana-related offenses.</p>

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#	Recommendation	Include	Rationale
15	<p>San Francisco should prioritize the following strategies for development:</p> <p>a) A prioritized permitting process to help operators in the target populations reduce initial start-up costs (e.g. subsidized rent while undergoing permitting process). Existing businesses should be prioritized first, followed by operators in the target population. If the cannabis regulatory agency places a cap on the number of licenses, this prioritization model should be revisited.</p> <p>b) An equity licensing program, which would include:</p> <ul style="list-style-type: none"> • Entrepreneurship grants and other funding opportunities to assist people of color, women, and formerly incarcerated persons in achieving business ownership (funded by cannabis taxes) • Subsidized permitting and license fees • Access to small business support programs and incubator services, such as the <p>Mission Economic Development Agency (MEDA) SCORE Minority</p>	Partial	<p>a) The proposed legislation prioritizes Equity applicants and then existing businesses, notably those who have been in operation prior to September 1, 2016. This is to allow Equity applicants to keep pace with the evolution of the industry. Naturally, existing businesses are established and may have more capacity to evolve at a pace that Equity applicants may not, and that is one reason why Equity applicants were prioritized first. b) Funding opportunities, subsidized fees and access to additional services may all be contemplated in the creation of the program. The only component contemplated in this legislation, other than the priority review and processing, is technical assistance. Additional strategies may be contemplated during the development of the Equity Program.</p>

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	#	Recommendation	Include	Rationale
Stakeholders	16	San Francisco should provide a clear, transparent pathway and process for businesses to acquire non-retail licenses, and existing businesses should be allowed to operate for a period of one year	Yes	Temporary permits are being offered for non-retail and delivery. These are eligible for 90 day extensions through the end of 2018.
	17	San Francisco should ensure local regulatory agencies' non-cooperation with federal law enforcement authorities via a San Francisco local ordinance. Additionally, the Board of Supervisors should endorse AB 1578 or analogous state legislation for California State law enforcement non-cooperation with federal law enforcement authorities.	No	Non-cooperation is not specifically called out in this legislation, and the 2017 legislative session has concluded. During the session, AB 1578 was ordered inactive.
	18	The following entities could be involved in the aforementioned social justice-focused efforts: <ul style="list-style-type: none"> • Neighborhood associations • Community business support programs (e.g., MEDA) and other local business associations • City College of San Francisco • Potential and current cannabis employees and entrepreneurs, including formerly incarcerated people, women, and people of color • Landlords • Office of Economic and Workforce Development (OEWD) 	NL	The City will continue to seek input and collaboration from a broad array of stakeholders as we develop our policies, including those related to social justice. While not specifically included in this legislation, this in no way precludes the City from engaging with these entities in the future.
Recommendation Sub-Category: Community Engagement				
Strategies	19	San Francisco should develop cannabis non-retail business operating standards to form part of the non-retail business permitting process. These standards should ensure that cannabis businesses are "good neighbors" to the communities in which they are located. These standards should be enforced meaningfully by regulatory agencies in a non-discretionary manner (e.g., standard set of rules and consequences, such as citations or notices of violation if rules are broken).	Yes	Good Neighborhood Policies are contemplated in the legislation and applicants are required to agree to them as part of the application process. The proposed standards are the following: (i) Provide to residential and commercial neighbors located within 50 feet of the Cannabis Business the name, phone number, and email address of an onsite community relations staff person who may be contacted concerning any problems associated with operation of the establishment; (ii) Maintain the Premises, adjacent sidewalk and/or alley, and associated parking areas in good condition at all times; (iii) Prohibit loitering in or around the Premises, and post notifications on the Premises advising persons of this prohibition. Notice of Violation + permit suspension and revocation (+ appeals pathways) are contemplated in the legislation to ensure accountability of permit conditions such as these.
	20	Cannabis non-retail businesses, when located within 300 feet of a Residential or Neighborhood Commercial Zoning District, must conduct a pre-application meeting as part of the licensing process and notify all residents within 300 feet. The licensing entity would oversee this process.	No	While this is not contemplated in the legislation, the Office of Cannabis is considering amendments to incorporate more community outreach as part of the application process.

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	#	Recommendation	Include	Rationale
	21	The regulatory agency or agencies overseeing the cannabis industry should make cannabis business regulations clear and accessible to the general public so that the public is informed and aware of the regulations.	Yes	The Office of Cannabis has a website and will seek to use it as a platform to disclose all appropriate regulatory information to the public to ensure full transparency and knowledge of the regulations governing the industry. The website currently houses the draft legislation and provides a platform for comment from members of the public, etc. and provides a place for members of the public to comment regarding how the website can be a better tool for their use.
	22	All employees of non-retail cannabis businesses should receive regulatory compliance training within six months of hiring similar to California Alcohol and Beverage Control LEAD training.	NL	As mentioned for this recommendation in Year I, we are not aware of a model for CA cannabis regulatory compliance training, similar to LEAD. With that said, the Office of Cannabis would be happy to partner with city agencies and other stakeholders to identify models and to ultimately ensure appropriate training occurs so that employers and employees understand best practices related to responsible service of cannabis and cannabis products.
	23	For the sake of public safety, non-retail businesses should not aim to draw unnecessary attention to themselves through signage.	Yes	Specific cannabis retail signage provisions are not proposed in the Planning Code changes.
Stakeholders	24	The following entities are stakeholders in the City's community engagement efforts for non-retail: <ul style="list-style-type: none"> • Businesses • Residents • San Francisco Department of Public Health • San Francisco Police Department • San Francisco Fire Department • San Francisco Unified School District • Office of Economic and Workforce Development (OEWD) • Office of Small Business • Other San Francisco City agencies/departments and potential overarching cannabis regulatory agency 	NL	The City, through the Office of Cannabis, has been engaging many of these stakeholders to assist with the development of: registration inspection standards, components of the local regulatory structure, and policy options to address the future needs of San Francisco with the implementation of commercial cannabis activity in 2018.
Tourism and Hospitality	25	San Francisco should create a certification program for non-retail tour companies in alignment with existing tour bus regulations. Regulations and clear enforcement processes should be established for bus size, bus drivers, and smoking in vehicles, and to mitigate traffic congestion, safety concerns, noise, odors, and waste as a result of tours. Regulations should also set an upper limit on the number of visitors and tour frequency in order to maintain the non-retail nature of the facility.	Partial	The legislation contemplates allowing for tours of certain facilities in 2019, but only after policies are established that address policy priorities such as those outlined here: mitigating neighborhood impacts, address potential congestion and parking impacts, etc.

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	#	Recommendation	Include	Rationale
	26	Public safety education (e.g., regarding specific regulations) should be required for tour companies. Tour companies should be required to distribute cannabis education materials to patrons as part of the tour.	NL	See above.
	27	Tour companies should be required to designate a community liaison to address concerns and respond to community inquiries.	NL	See above.
Youth Access and Exposure	28	Non-retail cannabis-related waste material should be stored and disposed of securely in order to prevent diversion to youth.	Yes	The legislation requires a waste disposal plan from all operators, and requires trash to be contained and disposed of pursuant to garbage and recycling receptacle guidelines to be developed by DPW. This will include locking receptacles.

Year II Recommendations: Land Use

Recommendation Sub-Category: Cross-Cutting - Technical and Community Engagement

Land Use Types	1	San Francisco should allow sales of cannabis products as an accessory use (i.e. where the selling of cannabis is not the location's primary use), develop regulations to specify how cannabis products should be separated from non-cannabis products and how accessory levels of cannabis product should be defined, and develop mechanisms to enforce these regulations. Options for regulating the sale of cannabis as an accessory use could include: a. Limiting the type of cannabis products sold to pre-packaged cannabis products only b. Restricting cannabis products to an area of a business where minors are prohibited c. Enclosing cannabis products in a locked box that an employee would unlock upon request	Partial	While the Planning Code legislation allows for accessory use, it defers that option to the creation of an Accessory Use permit from the Office of Cannabis. This permit type is not being offered at this time, however, once the City better understands state regulations associated to accessory use activity, we will begin to have more focused conversations related to accessory use - policies to regulate, inappropriate vs. appropriate accessory use locations, etc - in an effort to create a pathway for the thoughtful implementation and regulation of accessory use retail in the future.
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	#	Recommendation	Include	Rationale
Land Use Landscape	2	To create a desired mix of businesses and limit displacement of other land use types (e.g., other businesses and housing), San Francisco should: a. Expand locations where new cannabis businesses could operate to include all zoning districts where their conventional equivalents are allowed to operate. b. Establish a buffering distance between primary cannabis retail businesses. c. Allow cannabis business that are in compliance with requirements "as of right" in specifically zoned areas. d. Add cannabis retailers to the formula retail list.	Yes	a. We allow Cannabis Retail in all zoning districts that allow commercial activity, except for NC-1 zoning Districts. Only retail operations with a microbusiness licenses can operate in PDR districts. b. the ordinance established a 300' buffer around cannabis businesses. c. In most commercial districts cannabis retail will be allowed as-of-right, the notable exception being NC Districts. For non-retail, most of the cannabis activities are allowed as of right. d. In the proposed ordinance, Cannabis Retail and MCRs are subject to Formula Retail controls.
	3	Cannabis businesses should be subject to review by an appropriate agency to determine the conditions the business would need to comply with.	Yes	Businesses will be subject to review by multiple referring agencies to determine conditions of their permits. These agencies include DPH, SFFD, SFPD, and OOC.
	4	San Francisco should also measure this distance with a "path of travel" approach rather than a straight line, parcel to parcel measurement. "Path of travel" is defined as the shortest legal distance travelled on foot from the doorway of the business. San Francisco should reduce the distance new cannabis retailers can	No	The legislation proposes to continue to use straight-line measurement; other methodologies are far too ambiguous and would present uncertainty and controversy for cannabis retailers and neighbors alike.
	5	operate in proximity to sensitive uses to 500 feet. Existing MCDs in good standing would be grandfathered, and not be subject to new distance requirements when applying for adult use licenses. Note: The Task Force reached modified consensus on a distance of 500 feet from sensitive uses. Discussion points and concerns related to proximity to sensitive uses were as follows: • A distance of 500 feet was proposed to align with San Francisco's current distance requirements for tobacco. • Some Task Force members expressed concerns that distances less than the State standard of 600 feet would be contrary to public opinion, and cannabis retailers may be more susceptible to federal raids, business closures, and mandatory sentencing, i.e. harsher sentencing for sale of cannabis within school zones. • Some Task Force members supported a distance less than 500 feet, but agreed to move forward with the aforementioned	Partial	The required minimum distance would be 600', which is 400' less than presently required for MCDs. The ordinance reduces proximity to some sensitive uses. As proposed, existing operating MCDs' locations are grandfathered.

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#	Recommendation	Include	Rationale
6	San Francisco should protect cannabis retailers and other license holders in good standing from the impacts of future sensitive uses that may locate nearby. This means that if a new sensitive use opens within the defined radius of an existing cannabis business, the existing cannabis business should be allowed to continue operation.	Yes	Existing laws cover this already.
7	Businesses that sell cannabis as an accessory use should undergo a different land use approval process as compared to non-accessory uses.	NL	This is not contemplated in the legislation at this time, however, it will be addressed legislatively at the time if/when accessory use permits are made available.
8	Existing cannabis businesses should undergo a less restrictive land use approval process as compared to new businesses.		The proposed ordinance includes a provision that allows existing MCDs to convert to Cannabis Retail without CU authorization, or being subject to the new location restrictions. Existing non-retail businesses should not need to receive new land use entitlements as long as they already have them. Those non-retail businesses that operated without the benefit of a permit will have to establish the use at the site, which may require a change of use application or CU authorization.
Recommendation Sub-Category: Technical			
Land Use Types	9 San Francisco should establish a cannabis 'restaurant/food' license, with guidelines to prevent cross contamination. Examples of possible guidelines: a. Restaurant Infusions Onsite: Required Patron Notification of cannabis products, Chef-prepared onsite for retail sale b. Bakery Prepared onsite retail & wholesale sales c. Commercial Kitchen to permit infusions (e.g., baking with non-volatile substances) d. Accessory Use Permit: Existing small business seeking to add retail cannabis products, specific Land Use approval not required, assuming zoning is appropriate.	No	a) Not clear that this activity is currently allowed - the state current prohibits the manufacture of any product considered a potentially hazardous food. Edible cannabis is also not allowed to provide more than 10 milligrams of THC per serving and distribution must be uniform. Finally product must be labeled and packaged in final form before sale. b) & c) Same as above. If the final product needs time temperature controls to maintain it's quality and safety then it is not eligible for development and consumption. e) The City believes the state needs to provide more guidance re: accessory use, and then further conversations need to occur related to appropriate location and controls for this type of activity before permitting this activity.
	10 San Francisco should consider a land use designation for consumption lounge.	Partial	The legislation contemplates allowing for retailers to have consumption lounges on their premises with DPH approval. The existing 8 onsite consumption lounges for smoking/vaping would be eligible to remain if the retailer maintains their medical activity and does not add adult-use activity to their permit. Adult-use and medical consumption that is non-smoking/non-vaping could be allowed on the premises of permitted retail locations subject to certain conditions applied by DPH.

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	#	Recommendation	Include	Rationale
Land Use Landscape	11	In determining the proper distribution of cannabis businesses across the City, the main goal is ensuring even distribution and access throughout the city.	Yes	While this ordinance was drafted to allow a more even distribution of retail cannabis businesses across the City, San Francisco's industrial lands are clustered on the eastern side of the city; therefore most non-retail businesses is proposed to be located on the eastern side of the City.
Zoning Application Standards	12	San Francisco should allow existing permitted medical cannabis businesses and cannabis businesses that have been closed (as long as they closed in good standing) to have priority consideration in the adult use approval process.	Yes	The proposed legislation prioritizes applications from operators who were in good standing with the City but were forced to close due to federal intervention/enforcement.
Recommendation Sub-Category: Community Engagement				
Application Process	13	Community engagement must be a part of the application review process for cannabis businesses. Policies related to how community engagement is implemented are the charge of the oversight body.	NL	"NL" because this recommendation is unclear in the context of today. This ordinance does not contemplate any new public engagement requirements at this time, however, this may be addressed through future amendments of the ordinances.
	14	There should be a clear application and a clear process based on best practices for cannabis permits and/or licenses. This means that there should be a community engagement process as a minimum standard for both medical and adult use.	Partial	The Office of Cannabis seeks to create a clear and transparent application process. Planning pre-application requirements would apply to all MCDs in NC districts, and the Office of Cannabis is contemplating amendments that would increase community engagement prior to permit approval and issuance.
	15	The zoning application process for cannabis businesses should require documentation of community engagement activities and maximize opportunities for community engagement early on in the process that are as inclusive as possible.	No	The ordinance does not add any new public engagement requirements for cannabis businesses, however, community engagement requirements are being contemplated for inclusion in the ordinance through future amendments.
	16	Different thresholds and expectations should be established for the level of community engagement and review process required for different types of land uses, e.g., a stand-alone cannabis retail store may require more community engagement than a grow house without a public-facing component.	No	The ordinance does not add any new public engagement requirements for cannabis businesses, however, community engagement requirements are being contemplated for inclusion in the ordinance through future amendments.
	17	The application criteria and standards should be applied consistently across businesses and should include mechanisms to ensure accountability and include a high level of transparency.	Yes	The legislation contemplates application requirements and operating standards that will be required of every operator, and then additional standards based on activity type, to ensure thorough and thoughtful regulation of all activities. All criteria and standards will be made public. The legislation proposes inspections to ensure accountability.

Year II Recommendations: Retail Licensing

Recommendation Sub-Category: Technical

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	#	Recommendation	Include	Rationale
Retail Licensing Elements	1	San Francisco should make local permits for retail businesses available for all MCRSA and AUMA license categories and microbusinesses.	Partial	While the proposed legislation offers many types of permits, it does not allow for all activities allowed by the state such as nurseries and outdoor agriculture. All local applicants, except retail applicants, are not required to apply for an "M-Type" or and "A-Type" permit (although they will be required by the state)
	2	In addition to the State-defined license types, the following local license types should be created: <ul style="list-style-type: none"> • New category: Manufacturing 6B Special baking/cooking license • New category: Virtual dispensary (i.e. physical location used for delivery with no walk-in retail) • New category: Consumption lounge, bring your own product (entertainment, restaurants, yoga studio, gym) • New Category: Temporary Events, Cannabis Cup/Cultural Events, and Farmers Market examples 	No	The legislation only contemplates permit types that align with existing state license types established by MAUCRSA. This legislation does not propose a stand-alone consumption permit, does not allow for temporary event permits, and does not contemplate a virtual dispensary at this time (public access to nonstorefront retail is not allowed under this proposal).
	3	The retail permitting process in San Francisco should be streamlined and efficient.	Yes	The Office of Cannabis is partnering with the California College of the Arts DBMA students as well as alumni to process mapping the existing application process with an eye towards streamlining and application platform development.
	4	In the retail permitting process, existing permit holders in good standing or those who have been displaced as a result of federal intervention should receive priority processing and licensing status in the City and County of San Francisco. This recommendation should not conflict with Social Justice prioritized permitting processing recommendations.	Yes	The proposed legislation prioritizes applications from operators who were in good standing with the City but were forced to close due to federal intervention/enforcement.
	5	San Francisco should respond to all State inquiries regarding local permits in a timely manner.	Yes	While not legislated, the Office of Cannabis intends to work closely with our state counterparts on all processes related to local permit and state licensing approvals, including criminal history and over concentration review.
	6	San Francisco should develop meaningful qualitative findings for the Planning Commission and/or other commission(s) to use when reviewing adult use retail applications.	Yes	Specifically, the following text is included: "With respect to any application for the establishment of a new Cannabis Retail Use, in addition to the criteria set forth in subsections (c) and (d) above, the Commission shall consider the geographic distribution of Cannabis Retail Uses throughout the City, the balance of other goods and services available within the general proximity of the proposed Cannabis Retail Use, any increase in youth access and exposure to cannabis at nearby facilities that primarily serve youth, and any proposed measures to counterbalance any such increase."

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#	Recommendation	Include	Rationale
7	<p>San Francisco should develop policies to prevent clustering of adult use cannabis retailers. Strategies may include:</p> <ul style="list-style-type: none"> • Use of “buffer zones” around other adult use retail locations. The distance of these buffer zones should balance both community concerns and business interests, with the aim of preventing too high a concentration of retail locations in a given district while also encouraging healthy competition. • Stricter clustering provisions in Neighborhood Commercial Districts to balance neighborhood concerns, and less strict clustering requirements in other districts, such as Downtown or Industrial districts. 	Yes	<p>The legislation proposes cannabis retailers may not locate within 300’ of another such business. While the minimum clustering distance is the same throughout the City, CU criteria applicable in NC districts require that the Commission consider additional adjacencies and other factors such that a higher level of scrutiny would apply.</p>
8	<p>San Francisco should include adult use cannabis retail businesses in existing Formula Retail rules. Note: Formula retail rules state that if an establishment has eleven or more retail locations worldwide, it is subject to a more stringent review and authorization process.</p>		<p>Formula retail rules would apply to cannabis retailer and medical cannabis retail permits.</p>
9	<p>San Francisco should craft a reasonable process for current medical cannabis dispensaries to transition into the adult use market. A “transition” would include a medical dispensary adding adult use products or a medical dispensary switching to an adult use business model. Such “grandfathered” medical cannabis businesses should be exempt from any new, more restrictive land use provisions that may be applicable to adult use retail businesses.</p>	Yes	<p>The proposed land use controls do provide a way for existing MCD to convert to CRs. The provision exempts existing MCDs from more restrictive clustering provisions, and exempts them from obtaining Conditional Use Authorization.</p>
10	<p>San Francisco should allow cannabis retailers to participate in both the medical cannabis and adult use cannabis markets. The licensing process should include a review of the cannabis retailer’s history (e.g. complaints and violations), possible proximity concerns, public review, traffic study, and a business plan that includes traffic/customer flow management.</p>		<p>The legislation proposes requiring retailers to maintain their medical use, but allows them to add adult-use to their activity. The licensing process, as proposed, would allow for a review of the retailer's history, business plan, community concerns, etc. as part of the permitting process.</p>
11	<p>San Francisco should not create a separate retail permit for nurseries.</p>	No	<p>The legislation does not currently contemplate nursery permits, however, that is something the City can allow for in the future. It wasn't incorporated at the time of drafting due to lack of clarification around proposed state regulations associated to nursery facilities.</p>

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	#	Recommendation	Include	Rationale
Retail Licensing Elements - Licensing Requirements	12	San Francisco should not make a distinction between medical and adult use permitting for retail businesses.	Yes	As contemplated, retailers would be required to have both types of activity on the premises, or they would be allowed to retain only their medical activity. This was done to ensure we always have a market for medical cannabis patients.
	13	Existing local and State laws and regulations cover many of the desired requirements for retail cannabis businesses. As such, the requirements for retail licensing should align with these local and State laws and regulations, including: <ul style="list-style-type: none"> • Board of Equalization (BOE) Sellers permit requirements • Articles of Incorporation • Labor laws • Occupational Safety and Health Administration (OSHA) standards 	Yes	All state regulations will be incorporated into City regulation, and will form the baseline standard for all cannabis operations in San Francisco. Any additional regulations put forward by the City will reflect the City's values.
	14	Retail license applicants should be required to provide the following supporting documentation to the City of San Francisco, as part of the licensing process, depending on the nature of the of the activity: <ul style="list-style-type: none"> • Hazardous materials and waste storage plan • State nursery program inspection • Building inspections from the Department of Building Inspection (DBI) • Fire Department documentation • Documentation of alignment with Agricultural Department best practices • Security plans • Weights & Measures 	Yes	The legislation contemplates requiring applicants to submit the following plants and information with their applications: Waste St
	15	An annual inspection and a review of documents by a licensing agent should be required for retail license renewal. The inspection and document review should ensure compliance with State and local regulations and good standing with the Board of Equalization (BOE) or Office of the Treasurer and Tax Collector.		A permit holder will be required to maintain their standing with the state in order to maintain their local permit. In order for an permit holder to receive license renewal, the operator will be required to maintain compliance with all local and state permit conditions, and update their file regularly.
	16	San Francisco should issue local retail licenses to the operator for a particular location.	Yes	Permit are tied to locations and to ownership structure.

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	#	Recommendation	Include	Rationale
On-Site Consumption	17	San Francisco should allow and create pathways for smoking cannabis in public places that become privatized. These pathways should follow rules similar to alcohol consumption at special events for adults age 21+ and medical card holders age 18+.		The California Health and Safety Code states that the smoking of cannabis or cannabis products is prohibited in a location where smoking tobacco is prohibited. San Francisco has been a leader in ensuring that everyone has the right to clean air and is not exposed to second hand smoke. San Francisco's policymakers have passed local ordinances that include the prohibition of smoking of tobacco or any other weed or plant products in public areas such as parks, recreation areas and at certain outdoor events. As with the smoking of tobacco, passive exposure to marijuana smoke among children, nonsmokers, and people who work in cannabis businesses is a concern, and the City is committed to maintaining its progressive clean air laws. Therefore, this legislation does not propose allowing smoking/vaping in public places, except at medical cannabis dispensaries that received a prior smoking-area designation from the Planning Department.
	18	The San Francisco City Attorney should provide further legal guidance regarding consumption in public-private spaces, i.e., where, when and how it could be done in the City.	Partial	Further clarification is not being sought by the City at this time except for clarifying purposes.
	19	San Francisco should allow on-site consumption at cannabis retail locations and these locations must include proper ventilation systems.	Partial	Smoking/vaping consumption is proposed to remain at the existing medical cannabis dispensary onsite smoking locations for medical use only. Those locations must maintain their current ventilation systems and incorporate any additional standards DPH deems appropriate. Consumption that is non-smoking/non-vaping will be allowed at any retailer that receives a sub-permit from DPH for consumption related activities.
	20	On-site consumption should include nightclubs, bars, cafes; hotel roof-tops; outside spaces at buildings; music festivals/parks (e.g., Hippie Hill); private club/outdoor garden; adult-one spaces in public parks; temporarily privatizing public spaces through permitted activities.	No	Per MAUCRSA, consumption must be restricted to areas where people are 21 or older, it may not be visible from any public place or non-age restricted area, and tobacco and alcohol are not allowed on the premises. San Francisco has been a leader in ensuring that everyone has the right to clean air and is not exposed to second hand smoke. Because the City is committed to maintaining its progressive clean air laws, this legislation does not contemplate permitting consumption (including smoking and vaping) in public places, including at special events.
	21	San Francisco's on-site consumption requirements should not be stricter than those outlined in state cannabis laws.	No	Under the law, The Department of Public Health will develop rules and regulations governing the on-site consumption permit. These rules and regulations will incorporate whatever consumption allowances the State will provide for in its emergency regulations, to be released in November, 2017.

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	#	Recommendation	Include	Rationale
Non-Profit Licensing	22	San Francisco should encourage the non-profit model and make non-profit license available for cannabis organizations that provide compassion programs and supportive services.	Partial	The Office of Cannabis, in consultation with the Department of Public Health and the Controller, is in the process of developing a report and recommendations for providing continued access to medical cannabis at an affordable cost. The report will be released on November 1, 2017.
	23	San Francisco should provide incentives (e.g. tax and licensing incentives) to cannabis organizations that provide compassion programs and supportive services.	No	This is not currently contemplated in the legislation, however, this is something that can be reviewed after or upon the creation of a compassion program.
Tourism and Hospitality	24	<p>policies that achieve an appropriate balance between discretion and visibility of adult use cannabis culture. Along these lines, the City should create pathways that allow tourists to access adult use cannabis products and legal consumption spaces while preventing undesired exposure for those who prefer limited interaction with the cannabis industry. Strategies could include the following:</p> <ul style="list-style-type: none"> • Allow cannabis consumption indoors to prevent unintended exposure • Limit visibility of consumption in adult use retail storefront locations to prevent exposure from the street while complying with existing Planning code requirements for active store front uses • Collaborate with tourism/hospitality stakeholders to provide tourists with educational materials and information about safe access and consumption of adult use Security plans 	Yes	Under the proposed legislation, the Department of Public Health will issue separate permits to cannabis retailers that wish to allow onsite consumption of edible cannabis products, and rules and regulations to that effect will be forthcoming. Tourists would be able to access such spaces for consumption purposes. A permitted medical cannabis dispensary with a prior smoking-area designation from the Planning Department will be allowed to maintain its smoking/vaping onsite location for medical use only. Beyond that, smoking/vaping is not proposed to be allowed at other commercial cannabis locations in the City. The legislation allows for consumption of cannabis at retail locations that obtain an onsite consumption permit from DPH, and such consumption locations may not be visible from any public place or non-age restricted area. The legislation requires distribution of a Responsible Consumption Fact Sheet at the point of sale, the content of which will be created by DPH. Moreover, the Office of Cannabis is working with SF Travel and the Chamber to develop information for tourism/hospitality to remain educated on the status of adult-use cannabis as well as responsible consumption, etc.
	25	San Francisco should allow cannabis retail locations in San Francisco to give tours of their facilities to the public.	Yes	The legislation contemplates allowing tours of certain facilities in 2019, but only after policies are established that address policy priorities such as those previously outlined by the Task Force: mitigating neighborhood impacts, addressing potential congestion and parking impacts, etc.
Recommendation Sub-Category: Social Justice				

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	#	Recommendation	Include	Rationale
Strategies	26	San Francisco should engage community members in the target populations (people of color and formerly incarcerated persons; and within these groups prioritize women, transitional-age youth ages 21-24, and LGBTQ people) along with workforce development organizations, community-based organizations, and other key stakeholders to develop strategies to reduce economic barriers to enter the cannabis industry as workforce or entrepreneurs.		
	27	San Francisco should reduce annual permitting fees according to the percentage employment of target populations (25% off for 25% employment of target populations, 50% for 50% employment of target populations)	NL	This could be contemplated during the creation of an Equity Program.
	28	San Francisco should prioritize the following strategies for development: a) A prioritized permitting process to help operators in the target populations reduce initial start-up costs (e.g. subsidized rent while undergoing permitting process). Existing businesses should be prioritized first, followed by operators in the target population, and previously licensed businesses closed by actions of the Department of Justice. If the cannabis regulatory agency places a cap on the number of licenses, this prioritization model should be revisited. b) An equity licensing program, which would include: <ul style="list-style-type: none"> • Entrepreneurship grants and other funding opportunities to assist people of color, women, and formerly incarcerated persons in achieving business ownership (funded by cannabis taxes) • Subsidized permitting and license fees • Access to small business support programs and incubator services, such as the Mission Economic Development Agency (MEDA), SCORE, Minority-owned 	NL	This could be contemplated during the creation of an Equity Program.
	29	San Francisco should provide a clear, transparent pathway and process for businesses to acquire retail licenses, and existing businesses should be allowed to operate for a period of one year while a permit application is in process, including issuing a city licensing compliance process guide, integrated into the SF business portal.	Yes	Temporary permits are being offered for non-retail and delivery. These are eligible for 90 day extensions through the end of 2018.

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	#	Recommendation	Include	Rationale
Stakeholders	30	San Francisco should ensure local regulatory agencies' non-cooperation with federal law enforcement authorities via a San Francisco local ordinance. Additionally, the Board of Supervisors should endorse AB 1578 or analogous state legislation for California State law enforcement non-cooperation with federal law enforcement authorities.	NL	This is not currently contemplated in this legislation. The city intends to
	31	The following entities could be involved in the aforementioned social justice-focused efforts: <ul style="list-style-type: none"> • Neighborhood associations • Community business support programs (e.g., MEDA) and other local business associations • City College of San Francisco • Potential and current cannabis employees and entrepreneurs, including formerly incarcerated people, women, and people of color • Landlords • Office of Economic and Workforce Development (OEWD) 	NL	The City will continue to seek input and collaboration from a broad array of stakeholders as we develop our policies, including those related to social justice. While not specifically included in this legislation, this in no way precludes the City from engaging with these entities in the future.
Recommendation Sub-Category: Community Engagement				
Strategies	32	San Francisco should develop cannabis retail business operating standards to form part of the retail business permitting process. These standards should ensure that cannabis businesses are "good neighbors" to the communities in which they are located. These standards should be enforced meaningfully by regulatory agencies in a non-discretionary manner (e.g., standard set of rules and consequences, such as citations or notices of violation if rules are broken).*(Reflects Year 1 PSSE recommendation 4.)	Yes	Good Neighborhood Policies are contemplated in the legislation and applicants are required to agree to them as part of the application process. The proposed standards are the following: (i) Provide to residential and commercial neighbors located within 50 feet of the Cannabis Business the name, phone number, and email address of an onsite community relations staff person who may be contacted concerning any problems associated with operation of the establishment; (ii) Maintain the Premises, adjacent sidewalk and/or alley, and associated parking areas in good condition at all times; (iii) Prohibit loitering in or around the Premises, and post notifications on the Premises advising persons of this prohibition. Notice of Violation + permit suspension and revocation (+ appeals pathways) are contemplated in the legislation to ensure accountability of permit conditions such as these.
	33	The regulatory agency or agencies overseeing the cannabis industry should make cannabis business regulations clear and accessible to the general public so that the public is informed and aware of the regulations.	Yes	The Office of Cannabis has a website and will seek to use it as a platform to disclose all appropriate regulatory information to the public to ensure full transparency and knowledge of the regulations governing the industry. The website currently houses the draft legislation and provides a platform for comment from members of the public, etc. and provides a place for members of the public to comment regarding how the website can be a better tool for their use.

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	# Recommendation	Include	Rationale
	34 All employees of retail cannabis businesses should receive regulatory compliance training within six months of hiring similar to California Alcohol and Beverage Control LEAD training.	No	As mentioned for this recommendation in Year I, there is no known model for cannabis regulatory compliance training, similar to LEAD. With that said, the Office of Cannabis would be happy to partner with city agencies and other stakeholders to identify models and to ultimately ensure appropriate training occurs so that employers and employees understand best practices related to responsible service of cannabis and cannabis products.
	35 Community complaints and hearings for licensing and land use issues should be managed by the Office of Cannabis, and priority for hearings should be given to local residents.	Partial	The City's charter places the responsibility for land use decision on the Planning Commission; therefore the ordinance places land use decision for cannabis business with the Planning Commission. Licensing for individual cannabis businesses will be handled by the Office of Cannabis. The Office of Cannabis will track the process for applicants to be permitted/licenses, however the Planning Department will decide timing for hearings based on established practices. The Office of Cannabis will also manage complaints related to permit holder activity where appropriate.
Stakeholders	36 The following entities are stakeholders in the City's community engagement efforts for retail: <ul style="list-style-type: none"> • Businesses • Residents • San Francisco Department of Public Health • San Francisco Police Department • San Francisco Fire Department • San Francisco Unified School District • Office of Economic and Workforce Development (OEWD) • Office of Small Business • Other San Francisco City agencies/departments and potential overarching cannabis regulatory agency 	NL	The City will continue to seek input and collaboration from a broad array of stakeholders as we develop our policies.

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	#	Recommendation	Include	Rationale
Tourism and Hospitality	37	<p>There is a notable desire within the culinary community to incorporate adult use cannabis in dining options/opportunities, including the use of cannabis as a meal ingredient and the establishment of food/cannabis pairing options. San Francisco should collaborate with key stakeholders, such as culinary and hospitality organizations, to develop strategies for increasing these opportunities for restaurants and other food establishments.</p> <p>Strategies could include:</p> <ul style="list-style-type: none"> • Developing, proposing and pursuing a state legislative approach that would create an exemption for these types of culinary experiences. • Development of a patron notification process for any food establishment offering these opportunities. • Development of mechanisms to determine the appropriate distribution of cannabis friendly dining venues throughout the City. 	NL	Noted, and will review with the Mayor's Office to inform the City's 2018 state legislative agenda.
	38	San Francisco should allow cannabis consumption in parked cars (i.e., do not impose arrests, fines, or fees for cannabis consumption in parked cars.)	NL	It is a violation of State law to consume cannabis in a public place, including a vehicle, to possess an open container or open package of cannabis/product in a vehicle, and to operate a vehicle while under the influence.
	39	San Francisco should create a certification program for retail tour businesses in alignment with existing regulations (e.g., for tour busses). Regulations and clear enforcement processes should be established for bus size, bus drivers, and smoking in vehicles, and to mitigate traffic congestion, safety concerns, noise, odors, and waste	NL	To contemplate in 2018.
	40	Public safety education (e.g., regarding specific regulations) should be required for tour companies. Tour companies should be required to distribute cannabis education materials to patrons as part of the	NL	To contemplate in 2018.
	41	Tour companies should be required to designate a community liaison to address concerns and respond to community inquiries.	NL	To contemplate in 2018.

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	#	Recommendation	Include	Rationale
Youth Access and Exposure	42	San Francisco should collaborate with stakeholders to develop policies that achieve an appropriate balance between discretion and visibility of adult use cannabis culture. Along these lines, the City should create pathways that allow tourists to access adult use cannabis products and legal consumption spaces while preventing undesired exposure for those who prefer limited interaction with the cannabis industry. Strategies could include the following: <ul style="list-style-type: none"> • Allow cannabis consumption indoors to prevent unintended exposure • Limit visibility of consumption in adult use retail storefront locations to prevent exposure from the street. 	Partial	Under the proposed legislation, the Department of Public Health will issue separate permits to cannabis retailers that wish to allow onsite consumption of edible cannabis products, and rules and regulations to that effect will be forthcoming. Tourists would be able to access such spaces for consumption purposes. A permitted medical cannabis dispensary with a prior smoking-area designation from the Planning Department will be allowed to maintain its smoking/vaping onsite location for medical use only. Consumption locations may not be visible from any public place or non-age restricted area.
	43	Retail tour access should be restricted to people ages 21 and over or in possession of a valid medical cannabis recommendation.	NL	This will be something contemplate during the creation of policies regulating tour activity. Under the proposed legislation, tours may be allowed at certain facilities as early as 2019.
	44	Retail cannabis-related waste material should be stored and disposed of securely in order to prevent diversion to youth.	Yes	The legislation requires a waste disposal plan from all operators, and requires trash to be contained and disposed of pursuant to garbage and recycling receptacle guidelines to be developed by DPW. This will include, at a minimum, a requirement that any waste be stored in locked receptacles prior to pickup.

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Recommendation	Included	Rationale
Year II Recommendation - Agency Oversight		
<p>In terms of a cannabis regulatory oversight structure, San Francisco should establish a standalone agency, with two options for managing the dispute resolution process: (1) a Commission or (2) hearing officer. Note: this recommendation builds upon Year I Regulation and City Agency Oversight Recommendation #21.</p>	<p>Yes</p>	<p>The legislative contemplates the creation of a hearing officer, or ALJ. This officer will serve as the first step of appeals of Director's decisions related to permit suspension and/or revocation.</p>