



# SAN FRANCISCO CANNABIS STATE LEGALIZATION TASK FORCE

## LAND USE AND RETAIL LICENSING

Meeting 8

July 12, 2017

# **Agenda Item 1:**

## **Welcome, Agenda Review and Announcements**

# **Agenda Item 2:**

## **Decision Making Process Discussion**

# Task Force History of Consensus

- Task Force agreed at the first meeting to use the consensus process.
- Administrative procedures documented that the Task Force will strive for consensus. If consensus could not be reached, the Task Force has the option of using a majority voting process (51%). On issues where there is no consensus, different perspectives will be documented in written reports.
- The Task Force identified the reasons why consensus is a good fit:
  - Collaborative, inclusive process.
  - Consensus decisions can be perceived as stronger since it means the full Task Force has agreed to endorse the recommendations that are put forward.

# Definition of Consensus

The following are key characteristics of consensus decision making:

- Consensus is a participatory process that supports a group to work together towards a final decision.
- The consensus process invites group members to express their support for a recommendation along a continuum: from whole hearted endorsement to support with reservations.
- Consensus can also involve the incorporation of reservations, issues and concerns into the final recommendations.

# Consensus Decision Making Process

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<b>Card color</b>	<b>Meaning</b>
Green	represents the continuum of support/acceptance, from “I support this enthusiastically” to “I support with reservations, I can live with it.”
Yellow	signals questions and the need for additional clarification.
Red	represents opposition, e.g., “I cannot live with this decision.”

**Agenda Item 3:**

**Public Comment Related to**

**Agenda Item #4:**

**Finalize Land Use Recommendations**

# **Agenda Item 4:**

# **Finalize Land Use Recommendations**



# **Agenda Item 5:**

## **Spotlight Panel – Part II**

# **Agenda Item 6:**

## **10-min break**

**Agenda Item 7:**

**Retail Licensing Recommendation  
Drafting Session**

# Work Groups

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Technical	Social Justice and Community Engagement
Department of Public Health	Police Department
Planning Department	SFUSD
Fire Department	Entertainment Commission
Department of Building Inspection	Sara Payan
Board of Equalization	Barbara Fugate
Erich Pearson (Facilitator)	Thea Selby (Facilitator)
Sarah Shrader (Facilitator)	Jon Ballesteros
Jesse Stout	Laura Thomas (Facilitator)
Tom McElroy	Kevin Reed
Terrance Alan	Jen Garcia
Duncan Talento Ley	Kai Keli'ihō'omalū
	Planning Department (second representative)

# Recommendation Drafting Tips

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## **STRONG**

*use action words such as “must” and “shall” instead of “could”*

## **RELEVANT**

*responsive to an issue or need within retail licensing, and addresses how retail licensing intersects with social justice and community engagement, as appropriate*

## **ACTIONABLE**

*is implementable with available resources, stakeholders, and time*

## **CLEAR**

*easily understood by other stakeholders and members of the public*

## **SPECIFIC**

*identifies the scope, outcome, and timeframe as appropriate*

# Reference: Year I Recommendations

## *Public Safety and Social Environment*

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Recommendations from the San Francisco Cannabis State Legalization Task Force Year I Report that pertain to retail licensing are included here for quick reference.

### **Public Safety and Social Environment (PSSE)**

*Recommendation 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.

*Recommendation 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.

# Reference: Year I Recommendations

## *Public Safety and Social Environment*

15

### Public Safety and Social Environment (PSSE)

*Recommendation 10:* San Francisco should allow on-site consumption at cannabis retail locations.

*Recommendation 11:* San Francisco's on-site consumption requirements should not be stricter than those outlined in Proposition 64.

# Reference: Year I Recommendations

## *Public Safety and Social Environment*

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### Public Safety and Social Environment (PSSE)

*Recommendation 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 cannabis industry. Strategies could include the following:

- a) Allow cannabis consumption indoors to prevent unintended exposure
- b) Limit visibility of consumption in adult use retail storefront locations to prevent exposure from the street
- c) Collaborate with tourism/hospitality stakeholders to provide tourists with educational materials and information about safe access and consumption of adult use cannabis.



# Reference: Year I Recommendations

## *Public Safety and Social Environment*

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### Public Safety and Social Environment (PSSE)

*Recommendation 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.
- b) Development of a patron notification process for any food establishment offering these opportunities
- c) Development of mechanisms to determine the appropriate distribution of cannabis-friendly dining venues throughout the City.

# Reference: Year I Recommendations

## *Public Safety and Social Environment*

### **Public Safety and Social Environment (PSSE)**

*Recommendation 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.

# Reference: Year I Recommendations

## *Land Use and Social Justice*

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### **Land Use and Social Justice (LUSJ)**

*Recommendation 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.

*Recommendation 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. San Francisco should also measure this distance with a "path of travel" approach rather than a straight line, parcel to parcel measurement.

# Reference: Year I Recommendations

## *Land Use and Social Justice*

### Land Use and Social Justice (LUSJ)

*Recommendation 5:* 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:

- 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
- b) Strategies to prevent clustering (as discussed below)
- c) Considerations for proximity to sensitive uses (as discussed below)

*Recommendation 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.

# Reference: Year I Recommendations

## *Land Use and Social Justice*

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### Land Use and Social Justice (LUSJ)

*Recommendation 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.

# Reference: Year I Recommendations

## *Land Use and Social Justice*

22

### **Land Use and Social Justice (LUSJ)**

*Recommendation 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.
- 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.

# Reference: Year I Recommendations

## *Land Use and Social Justice*

### Land Use and Social Justice (LUSJ)

*Recommendation 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.

*Recommendation 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.

*Recommendation 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.

# Reference: Year I Recommendations

## *Land Use and Social Justice*

### **Land Use and Social Justice (LUSJ)**

*Recommendation 12:* San Francisco should align regulations for adult use cannabis retail signage on store fronts with regulations for other retail businesses.

*Recommendation 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.



# Reference: Year I Recommendations

## *Land Use and Social Justice*

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### Land Use and Social Justice (LUSJ)

*Recommendation 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.

# Reference: Year I Recommendations

## *Land Use and Social Justice*

### Land Use and Social Justice (LUSJ)

*Recommendation 24:* 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:

- a) Consider a prioritized permitting process to help operators reduce initial start-up costs (e.g. subsidized rent while undergoing permitting process)
- b) Creation of grants or other funding opportunities to assist people of color, women, and formerly incarcerated persons in achieving business ownership
- c) Equity licensing
- d) Subsidized permitting and licensing fees
- 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.

# Reference: Year I Recommendations

## *Regulation and City Agency Framework*

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### Regulation and City Agency Framework (RCAF)

*Recommendation 3:* San Francisco should support existing businesses to participate in cannabis industry by allowing for dual (i.e. the ability to sell both non-cannabis & cannabis products) licensing opportunities.

*Recommendation 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

# Reference: Year I Recommendations *Regulation and City Agency Framework*

## Regulation and City Agency Framework (RCAF)

*Recommendation 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.

*Recommendation 10:* San Francisco should allow permitted medical cannabis dispensaries that currently operate delivery services to continue to provide deliveries.

*Recommendation 11:* Delivery drivers should receive appropriate training to minimize potential safety risks.

# Reference: Year I Recommendations

## *Regulation and City Agency Framework*

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### Regulation and City Agency Framework (RCAF)

*Recommendation 12:* San Francisco should allow cannabis retailers to participate in both the medical cannabis and adult use cannabis markets.

*Recommendation 13:* The licensing process for medical cannabis dispensaries should not be more restrictive than that for adult use retail licensees.

*Recommendation 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.

# **Agenda Item 8:**

# **Recommendation Presentation**

# **Agenda Item 9:**

# **General Public Comment**

# Agenda Item 10:

## Wrap-up and Next Steps

### NEXT MEETING

DATE	TIME	LOCATION
August 9, 2017	1-4pm	25 Van Ness Ave, Room 610 San Francisco, CA 94102