



SAN FRANCISCO CANNABIS STATE LEGALIZATION TASK FORCE

LAND USE AND RETAIL LICENSING

Meeting 6

May 10, 2017

Agenda Item 1:

Welcome, Agenda Review and Announcements

Agenda Item 2:

Public Comment – Local Agency Oversight

Agenda Item 3:

Local Agency Oversight Discussion and Possible Recommendation – Part II

Local Agency Oversight Discussion and Recommendation

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Year I Regulation and City Agency Framework Recommendation #21 stated that “San Francisco should consider new and/or existing regulatory and regulatory oversight structures for adult use cannabis regulation.”

The recommendation includes the following options:

- **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

Agenda Item 4:

Refine Land Use Recommendations

Recommendation Refinement Process

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1) Review draft Year II recommendation

- Review comments and questions in italics

2) Clarify, refine, and reconcile with Year I recommendations as needed

- Note any areas where consensus was not reached

3) Refer to the recommendation framework document and confirm all areas and questions have been addressed

Reference: Year 1 Recommendations

Land Use and Social Justice

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Notes in the current Year II draft Land Use Recommendations refer to several recommendations from the San Francisco Cannabis State Legalization Task Force Year I Report. These recommendations are included here (on slides 8-11) for quick reference.

Land Use and Social Justice (LUSJ)

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 1 Recommendations

Land Use and Social Justice

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.

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.

Reference: Year 1 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 1 Recommendations

Regulation and City Agency Framework

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Regulation and City Agency Framework (RCAF)

Recommendation 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:

- New category: Manufacturing 6B Special baking/cooking license
- New category: Consumption lounge
- New category: Events (e.g. commercial events and farmers' markets, etc.)

The City should also explore the possibility for one-day event permits.

Work Groups

Technical	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'oho'omalu
	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 non-retail licensing, and addresses how non-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

Agenda Item 5:

10-min break

Agenda Item 6:

General Public Comment

Agenda Item 7:

Finalize Land Use Recommendations

Agenda Item 8:

Large Group Discussion of Retail Licensing

Retail Recommendations - Considerations

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- What is “retail” for the purposes of this set of recommendations?
 - ▣ Delivery?
 - ▣ Nursery?

- What is a “Sensitive Use”?

- How do we determine appropriate distance between “Sensitive Use” and proposed Cannabis Licensee?

- How should SF regulate the potential of Cannabis Licensee’s clustering in one area?

- How do we balance land use approval and retail licensee approval?

Reference: Year 1 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 (on slides 18-32) 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 1 Recommendations

Public Safety and Social Environment

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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 1 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 1 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 1 Recommendations

Public Safety and Social Environment

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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 1 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 1 Recommendations

Land Use and Social Justice

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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 1 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 1 Recommendations

Land Use and Social Justice

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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 1 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 1 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 1 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 1 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 1 Recommendations

Regulation and City Agency Framework

32

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 1 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 9:

Wrap-up and Next Steps

NEXT MEETING

DATE	TIME	LOCATION
June 14, 2017	1-4pm	25 Van Ness, Room 610, San Francisco, CA